

City Service Area

Transportation and Aviation Services



Primary Partners

Airport

Police

Transportation

Mission: *To provide the community with safe, secure, and efficient surface and air transportation systems that support San José's livability and economic vitality*

The purpose of the Transportation and Aviation Services City Service Area (CSA) is to provide a safe and efficient transportation system. The departments contributing to this goal—Transportation, Airport, Police, Public Works, the Redevelopment Agency, and Planning, Building and Code Enforcement—are dedicated to improving the entire transportation system including the Airport, freeways, transit, arterial streets, neighborhood streets, bicycle facilities, sidewalks, and parking facilities. The City works with other local agencies, as well as the State and federal governments, to provide transportation and aviation infrastructure and services, which provide an important resource to support the community's livability and economy, and as such support the City's economic development efforts. The CSA's focus on building and maintaining transportation facilities and infrastructure is detailed in the capital improvement program budgets.

The CSA partners together coordinate freeway, transit, and pedestrian connections to the Airport, such as the reconstruction of the Coleman/Interstate 880 Interchange and landscape design. In the coming year, additional efforts will be undertaken in the following areas:

- Long Range Regional Transit Planning
- Parking Management and Revenue Control Systems
- Strategies to Mitigate Transportation System Impacts
- Technology Infrastructure to Enhance Transportation
- Strategies to Increase Funding for Infrastructure Maintenance

CSA OUTCOMES

- Provide Safe and Secure Transportation Systems
- Provide Viable Transportation Choices that Promote a Strong Economy
- Travelers Have a Positive, Reliable, and Efficient Experience
- Preserve and Improve Transportation Assets and Facilities
- Provide a Transportation System that Enhances Community Livability

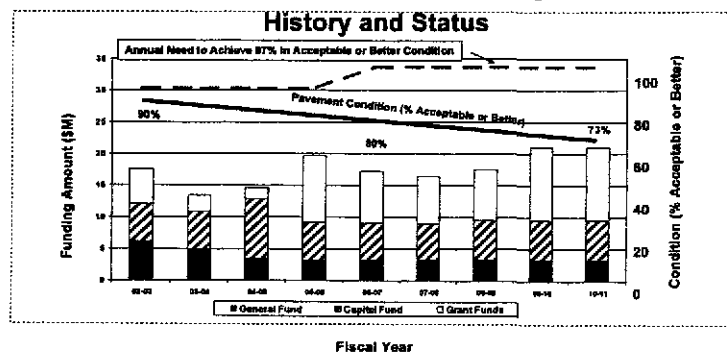
Transportation and Aviation Services

BUDGET SUMMARY**Budget at a Glance**

	2005-2006 Adopted	2006-2007 Adopted	% Change
Total CSA Budget (All Funds)	\$132,988,214	\$151,030,860	13.6%
Total Authorized Positions	756.14	776.87	2.7%

Budget & Performance Highlights

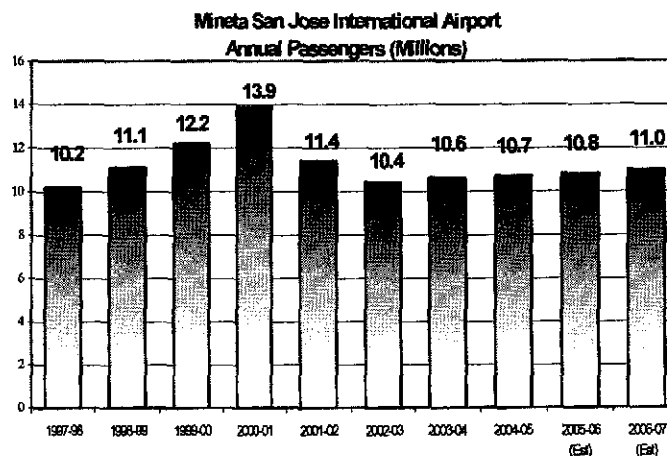
- The quality of the City's surface transportation system is in decline and current funding is insufficient to adequately maintain, operate, and improve the system. Projected annual operating and maintenance shortfalls range between \$18 and \$25 million, depending upon the level of federal and State funding over the next five years. The one-time cost for major rehabilitation and capital improvements is estimated at \$370 million. In 2005, the Building Better Transportation Committee directed staff to further investigate strategies in the Transportation Needs and Funding Alternatives Report.
- The City's General Fund electricity costs have nearly doubled since 2000 due to rising rates and growing inventory. To address this problem, the use of capital funds to continue the retrofit of green and yellow traffic signal lights with Light Emitting Diodes (LEDs) to generate electricity savings was approved.
- Street condition is expected to decline due to the ongoing annual funding shortfall. 64 miles of streets will be sealed in 2006-2007, and 40 miles of residential streets and 40 miles of arterials will receive preventive crack sealing. Approximately 80% of potholes will be repaired within 24 hours and 70% of other corrective maintenance will be completed within 30 days.
- The condition of street landscapes is expected to decline to 65% in good condition and the condition of trees is expected to drop to 37% in good condition following maintenance resource reductions.
- Transportation provides innumerable services in the development and support of events such as the San José Grand Prix, Tour of California, and Zero One Festival. A new position was added to facilitate the effective coordination of these services to ensure successful events that help drive the economy.
- The number of injury and fatality crashes is tracking below CSA estimates, and the number of traffic complaints is down due to more proactive police enforcement on surface streets, especially around schools, in neighborhoods, and on major arterials.
- A total of 1,400 studies and basic requests have been completed for traffic calming, mitigating traffic impacts in neighborhoods.
- One-time funding of \$5.3 million was allocated in the General Fund to start to address the traffic infrastructure maintenance backlog, including: street resurfacing (\$3.0 million), safety enhancements (\$1.8 million), and neighborhood appearance (\$500,000).

Street Maintenance Funding

City Service Area
Transportation and Aviation Services
BUDGET SUMMARY

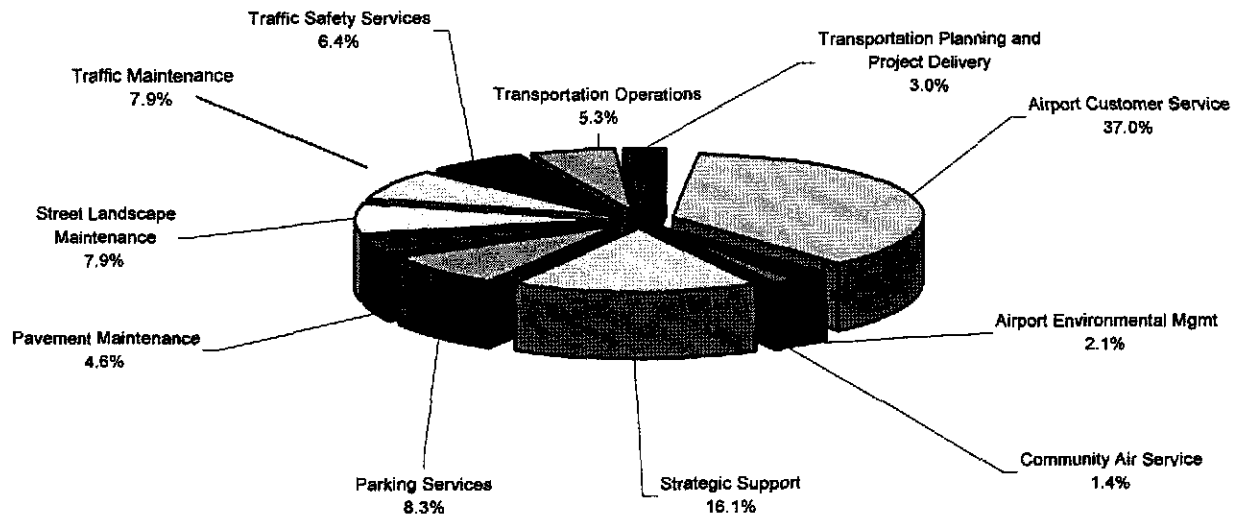
Budget & Performance Highlights (Cont'd.)

- The Airport budget for 2006-2007 continues to balance fiscally conservative revenue projections with forecasted expenditures. Airport activity includes a projected 0.7% growth rate in passengers for 2005-2006 and a 2% growth rate for 2006-2007.
- The revised Airport budget forecast produced a \$7.7 million shortfall for 2006-2007. This budget shortfall was balanced through a strategy of cost reductions, revenue increases, transfers, and use of reserves. The Airport 2005-2006 Cost/Position Management Plan produced year-end savings of \$2.2 million; reserves for capital projects decreased by \$1.5 million; current operating reserves were carefully managed to produce \$0.8 million in savings; net operating reductions of \$1.4 million were approved; and the transfer to capital of \$1.5 million in FMC laydown costs completes the balancing strategy.
- A transfer of \$4.02 million from the Safety Net Reserve Account established in 1993 was approved to be used to offset a significant imbalance and mitigate the need for the significant increase in Terminal C rental rates that would have been necessary to support facility operations. Commercial Paper financing is anticipated to be issued during the year in the amount of \$3.6 million to pay a portion of the FMC property lease costs until that property becomes available for use.
- Airline landing rates are projected to increase from \$1.43 to \$1.80 per thousand pounds. Terminal rental rates are estimated to decrease from \$81.80 to \$80.66 in Terminal C and \$142.15 to \$84.53 in Terminal A. The projected Airline Cost per Enplaned Passenger (CPE) is projected to decrease to \$4.05 from the 2005-2006 estimated level of \$4.68 (a 13.5% reduction).
- On November 15, 2005, the City Council approved revisions to the implementation of the Airport Master Plan. The revised implementation program is estimated to cost \$1.5 billion through 2017 and includes components such as the remodel of Terminal A, the removal of Terminal C, the construction of a consolidated rental car garage, construction of a new Terminal B and its North Concourse Building, and roadway, parking and other infrastructure improvements. These projects are included in the Adopted 2007-2011 Capital Improvement Program (CIP) budget.
- The Airport Master Plan process represents ongoing efforts to gain input from a variety of stakeholders and to build a facility that will meet the needs of the community and its customers, as well as keep costs to the airlines low.



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FIVE-YEAR BUSINESS PLAN

2006-2007 Total Operations by Core Service



City Service Area Budget Summary

	1	2	3	4	(2 to 4)
Dollars by Core Service					
Airport Customer Service	\$ 47,780,943	\$ 47,954,328	\$ 52,904,521	\$ 52,239,041	8.9%
Airport Environmental Mgmt	2,695,729	2,756,860	3,462,890	2,988,206	8.4%
Community Air Service	1,613,130	1,776,721	2,072,049	1,945,963	9.5%
Parking Services	8,052,967	10,483,747	11,732,264	11,788,286	12.4%
Pavement Maintenance	6,364,456	5,858,305	6,538,142	6,483,896	10.7%
Street Landscape Maintenance	10,002,586	10,532,328	11,145,047	11,163,076	6.0%
Traffic Maintenance	9,722,978	10,421,234	11,233,602	11,131,574	6.8%
Traffic Safety Services	7,587,939	7,994,419	8,555,809	9,099,430	13.8%
Transportation Operations	6,659,399	6,712,295	7,064,184	7,530,014	12.2%
Transportation Planning and Project Delivery	3,227,912	4,040,225	4,257,455	4,242,834	5.0%
Strategic Support	18,556,609	20,079,272	22,905,065	22,763,580	13.4%
Subtotal	\$ 122,264,648	\$ 128,609,734	\$ 141,871,028	\$ 141,375,900	9.9%
Other Programs					
City-Wide Expenses	\$ 1,723,861	\$ 2,191,863	\$ 2,328,064	\$ 2,375,854	8.4%
General Fund Capital, Transfers and Reserves	3,325,577	2,186,617	\$ 1,737,524	\$ 7,279,106	232.9%
Subtotal	\$ 5,049,438	\$ 4,378,480	\$ 4,065,588	\$ 9,654,960	120.5%
Total	\$ 127,314,086	\$ 132,988,214	\$ 145,936,616	\$ 151,030,860	13.6%
Authorized Positions	792.44	756.14	767.87	776.87	2.7%

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FIVE-YEAR BUSINESS PLAN

Current Position

How are we doing now?

Surface Transportation

- San José remains one of the safest large cities in the nation in terms of traffic related injuries and fatalities.
- Infrastructure asset inventory has grown by almost 12% in the last five years. However, resources to maintain these assets have not kept pace with their growth.
- The City's surface transportation system is in decline and current funding is insufficient to adequately maintain, operate, and improve the system. Staff is investigating alternate funding strategies to address the \$370 million one-time and \$18 million - \$25 million ongoing unfunded need.
- The 2007-2011 Surface Transportation CIP's funding is down to \$242.3 million, which is slightly higher than last year, but still significantly lower than the high of \$307 million in the 2002-2006 CIP. This limits the ability to make significant improvements to the transportation system.
- Over 37% of Traffic CIP resources are currently used to meet basic maintenance and operation service levels.
- Recent proactive signal timing efforts are expected to improve commutes on key corridors by reducing travel times by 15%.
- Neighborhood traffic impacts continue to be mitigated with approximately 1,400 Traffic Calming service requests completed annually. 73% of residents rate traffic impacts in their neighborhoods as "acceptable," a significant improvement from the 63% reported in 2000, although down somewhat from the 75% level in the 2003 survey.

Air Transportation

- Airport activity continues to show little growth and lags behind other airports. The region's economic conditions contribute to the limited growth, as does the competitive nature of the Bay Area aviation industry and ongoing financial difficulties of the airline industry.
- San José Airport's share of the Bay Area passenger market hovers around 18.5%. Currently San Francisco International serves 57% of passengers and Oakland serves the remaining 24.5%.
- New service additions to Mexico City and daily flights to Honolulu were introduced this past fall and passenger activity appears to have stabilized. Growth through March 2006 is 1.1%.
- Airline industry costs have continued to climb due in large part to increased fuel costs. A December 2005 article in USA TODAY estimated total industry-wide losses for 2005 at over \$10 billion. These economic factors make it critical that the Airport does all it can to keep costs low while maintaining and improving customer services and developing new infrastructure.
- Traffic mitigation projects and services such as VTA flyer, the one-way loop, the Skyport Grade Separation, Route 87, and the Coleman 880 Interchange have all served the community well by providing improved access to the Airport.

City Service Area Transportation and Aviation Services FIVE-YEAR BUSINESS PLAN

Selected Community Indicators

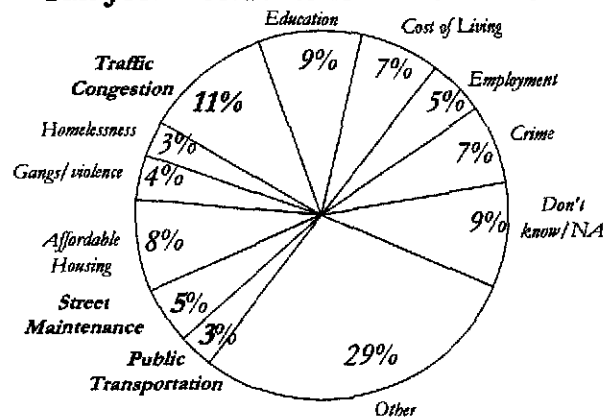
What external conditions influence our strategies?

- 2005 San José Community Survey — 11% of residents surveyed rated “traffic congestion” as the most serious issue they would like to see the City address. Though down sharply from 28% in 2000, concerns about traffic congestion still lead all others mentioned by residents surveyed. Other transportation-related issues such as Street Maintenance and Public Transportation also ranked very high with residents.

- Bay Area Survey 2005 — 26% rated “Transportation” as the largest issue of public concern, ahead of housing (14%), and the economy (13%). The survey is used to determine citizens’ areas of concern within the City and region.

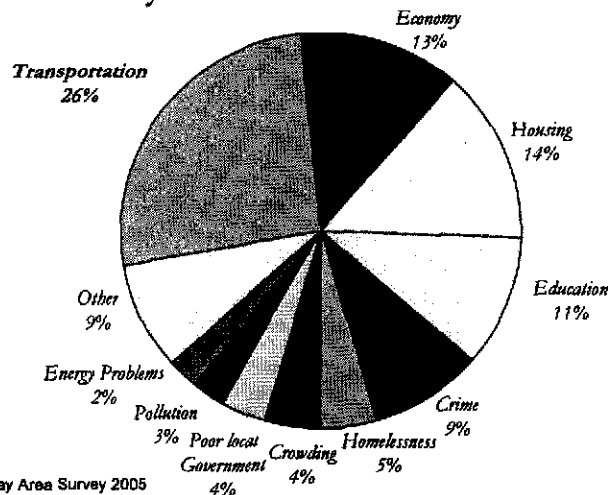
- U.S. DOT Data — San José’s ratio of 3.4 injury and fatality crashes per 1,000 population compares favorably to the national average of 6.47, contributing to San José being one of the safest big cities in the nation.

San José Residents Issues of Concern



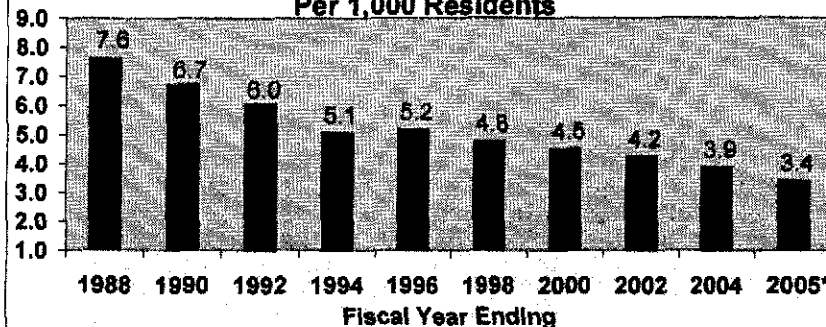
Source: Community Survey 2005

Bay Area Public Issues of Concern



Source: Bay Area Survey 2005

San José Injury & Fatality Crash Rate
Per 1,000 Residents



*2005 represents calendar year data where all other years are fiscal year data. The methodology was changed to be consistent with State and national data.

City Service Area

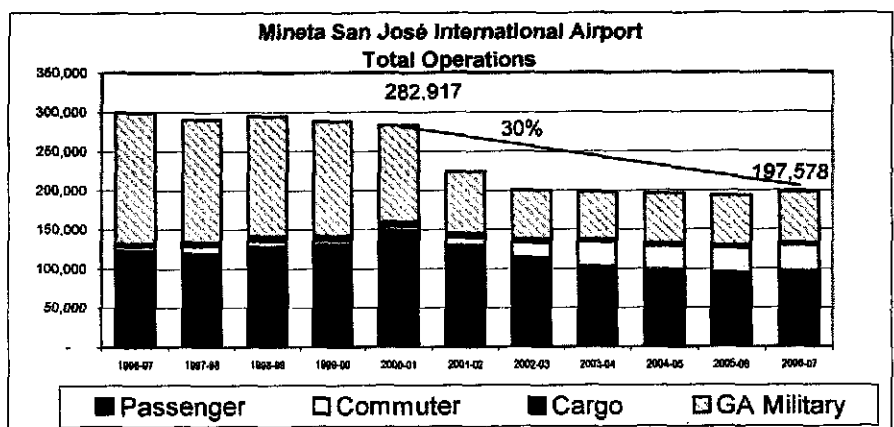
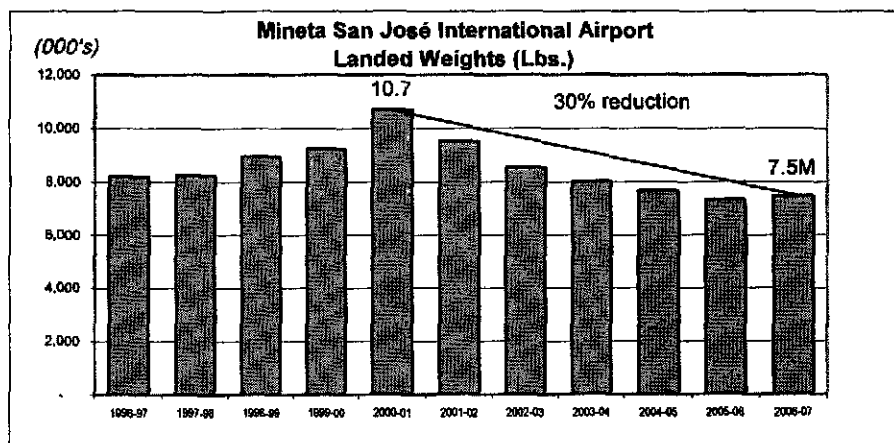
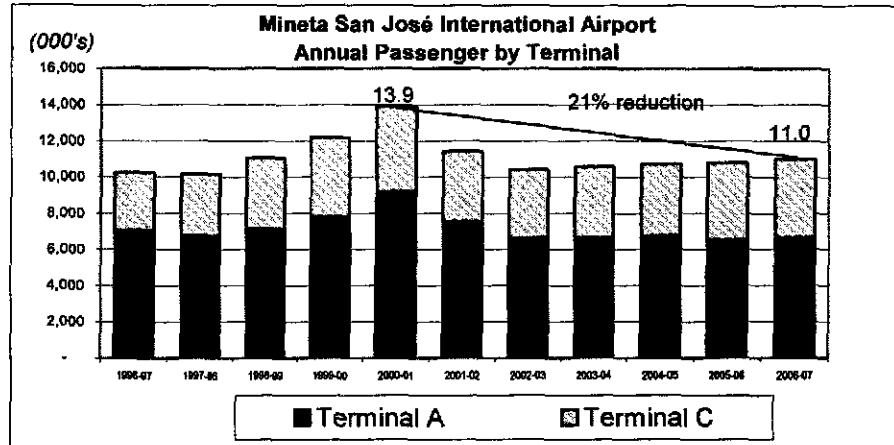
Transportation and Aviation Services

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Selected Community Indicators (Conr'd.)

What external conditions influence our strategies?

- Annual Airport Passengers totaled 10.73 million for 2004-2005. Growth rates projected for 2005-2006 are 0.7%, and 2% growth is anticipated in 2006-2007. Silicon Valley's changing economic structure has significantly impacted Airport business. The 1990's employment concentration in local high-tech created dependence on business travel to specific destinations. As high-tech business activities have declined, so too have Airport passenger levels. The resulting change in traveler composition has brought many challenges to airport service delivery, as well as to aviation and non-aviation revenues. The graph to the right shows the significant change to activity that Mineta San José International Airport (SJC) has experienced since fall 2001, both as a result of September 11, as well as the local recession.
- Aircraft Landed Weight is an important activity measure in that air carriers are charged on a per thousand pound basis for airfield use. For 2004-2005, weights equaled 7.66 million lbs., a 4.5% decrease from 2003-2004. This, in part, recognizes the increased use of regional jets at San José. The change in aircraft type has continued to occur in 2005-2006, but weights are expected to grow slightly with the growth in passengers in 2006-2007.
- Commercial Passenger Carrier, Commuter Aircraft and Cargo operations make up approximately 67% of the operations at SJC. The remaining operations include both local and itinerant general aviation and military flights (less than 100 annually). As noted in the graph, recent increases in the use of commuter aircraft have driven flight activity up.



Trends / Issues / Opportunities

What developments require our response?

- The Federal Surface Transportation Funding bill was reauthorized in 2005, resulting in increased allocations of federal gas tax funds. The State has re-initiated allocations of State transportation revenues (Proposition 42 funds) that are designated for local street pavement maintenance.
- Support to the VTA to advance preliminary engineering of Bay Area Rapid Transit (BART) to San José remains a priority transportation project for the region and City.
- In 2005, although traffic volumes were slightly up, congestion levels have not increased due to improvements such as new Light Rail Transit (LRT) and major corridor signal synchronization. Travelers had seen a significant increase in congestion in 2004 following a two-year decline in 2002 and 2003.
- Continued delay of preventive maintenance on transportation infrastructure will result in significantly higher maintenance costs in the future. For example, pavement sealing costs \$76,000 per mile while resurfacing costs up to \$320,000 per mile and total reconstruction costs range from \$1 million to \$2.5 million per mile.
- The General Fund electricity expenses, primarily for street lights and traffic signals, have doubled from \$2.5 million in 2000 to nearly \$5 million today due to electricity rate increases and growing inventory.
- The Airport serves as a vital component to the City's economic health, with many stakeholder and legal requirements mandating that the Airport provide specific services and coordination with various partners. The Airport also operates in a competitive environment both locally and nationally.
- Airport infrastructure has aged beyond its useful life. With the revisions to the capital improvement program and approval of the design build process, the opportunity now exists to improve travel services to and from San José through the development of the Airport Master Plan.
- Passenger activity is projected to remain stable, with a 2005-2006 projected growth rate of 0.7%. Activity recovery is dependent on a number of external factors including the local economy and the health of aviation. The scheduling of capital program projects is based, in part, on passenger activity levels.
- Long-term predictions for regional air travel activity remain strong, however changes to aircraft, costs, and scheduling all will continue to present challenges, not only to airports, but to the airlines and other tenants.
- The Airport continues to face challenging operating conditions due to limited revenues, airline cost constraints, competition, security requirements, and the initiation of major capital improvements.
- Airline lease negotiations, air service development programs, efficiencies in delivery of capital improvement programs, construction mitigation efforts, and fiscal planning to keep rates and charges reasonable serve as significant challenges while investing in infrastructure and services to provide the City with an airport that meets the community's current and future needs.

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FIVE-YEAR BUSINESS PLAN

Policy Framework *What policies guide our strategies?*

- City of San José General Plan 2020
- San José Economic Development Strategy
- Airport Master Plan
- Airport Security and Traffic Relief Act (ASTRA) Ballot Measure A and the compliance finding
- City of San José Transportation Impact Policy
- Local Area Development Policies (i.e. North San José, Edenvale, and Evergreen)
- San José Greater Downtown Development Strategy
- Federal Aviation Administration and Transportation Security Administration policies and mandates
- Transportation 2030 Plan for the San Francisco Bay Area (Metropolitan Transportation Commission)
- Valley Transportation Plan 2030 (VTA)
- Downtown Parking Management Plan
- Airline Master Lease Agreements
- City of San José Traffic Calming Policy
- Taxi Regulatory and Service Model Study
- Various City of San José policies, ordinances, and studies including Public Art Policy, Trail Master Plan, Airport Neighborhood Services Group (ANSO), and the Strong Neighborhoods Initiative (SNI)
- Environmental management policies as set by regulatory agencies including CalTrans Aeronautics Program, California Air Resources Board, Bay Area Air Quality Management District, Regional Water Quality Control Board, California Department of Fish & Game, Santa Clara Valley Water District, and Santa Clara County Department of Environmental Health

General Plan Alignment

Adopted by the City Council, the San José 2020 General Plan sets forth the vision of San José, reflecting the community values of our residents, business owners, etc. It is a long-range plan identifying the location and intensity of land uses, character of future development and existing neighborhoods, and the overall quality of life of the San José community.

The Transportation elements of the General Plan establish a goal to provide a safe, efficient, and environmentally sensitive transportation system for the movement of people and goods. In June 2005, the City Council adopted a new transportation impact policy that supports the General Plan Smart Growth strategies and interest in creating and maintaining a livable community. The policy provides flexible traffic level of service standards and emphasizes that San José is planning a balanced, multi-modal transportation system with livable streets that accommodate vehicular as well as appropriate pedestrian, bicycle, and transit facilities. All of these elements are emphasized in the Business Plan. Additionally, this CSA provides transportation planning support for various General Plan updates related to development initiatives in Downtown, North San José, BART station areas, Evergreen, Edenvale, and Coyote Valley.

In the area of Infrastructure Management, the General Plan sets a goal of managing City resources efficiently in order to maintain existing infrastructure and facilities and avoid unnecessary replacement costs. However, past and projected funding is not sufficient to address management of existing inventory or new inventory called for in the General Plan.

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General Plan Alignment (Cont'd.)

As a result, the City is faced with significant repair and replacement costs. To prevent the situation from worsening, new funding opportunities are being explored to address this shortfall.

The performance measures contained in this Business Plan were designed to gauge how well the CSA is meeting these General Plan goals in terms of build-out of a multi-modal transportation system, and customers' perception of the system's condition and service levels. In light of projected resources, the Business Plan identifies a five-year goal of:

- 98% of planned arterial streets complete
- 60% of planned bikeway network complete
- 98% of intersections at Council-adopted level of service
- 45% of residents rating traffic flow as acceptable or better on City streets
- 75% of residents rating traffic impacts in their neighborhoods as acceptable or better
- 79% of residents rating neighborhood streets in acceptable or better condition

Although the 2020 General Plan does not provide specific details regarding Airport services or infrastructure, the Airport Master Plan as adopted in 1987 and amended, is consistent with the General Plan and provides examples of how the Airport supports achievement of the goals.

Economic development is a fundamental priority for future growth, not only to improve the City's financial position but also to provide employment opportunities for San José's residents. Generally, industrial and commercial uses generate greater revenues and require fewer services than residential uses. The effective transportation of both people and goods by land and air is essential to that development. Past trends and future projections for economic development indicate continued growth in metropolitan areas. It is vital, therefore, for San José to attract a large share of the area-wide economic development. Increased revenue from an industrial and commercial tax base is the most practical means of providing residents with reasonable levels of municipal services. Consistent with the 2020 General Plan, the Business Plan identifies long range service goals including:

- Encourage job growth and economic development to support the future economic health of the City;
- Provide infrastructure to support economic success to generate a robust and stable tax base necessary to fund the City's urban service needs;
- To minimize adverse impacts of growth on environmental factors, with programs aimed at reducing traffic congestion and noise, as well as seeking to improve air quality with use of alternative fuels and the building of energy efficient systems in the development of new facilities; and
- Provide transportation services that are timely, efficient, and planned to meet business needs for all forms of travel.

As a result, marketing and development of air service frequencies, destinations and the encouragement of a mix of air carriers play an important role in providing the services businesses and travelers desire. Surface and Air projects and programs are developed and implemented to plan, build, and connect the City's transportation systems so that they meet economic, customer service, security, and community needs.

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Key Strategic Goals & Objectives *Where are we going?*

In 2005-2006, Transportation and Aviation began the process of consolidating into a single Transportation and Aviation Services (TAS) CSA. The similarity of desired outcomes – fundamentally facilitating the movement of people and goods in a manner that both strengthens the economy and enhances the quality of life for San José residents – is the central goal of this CSA. TAS is responsible for a wide range of services, operations, and infrastructure that support other City Service Areas, chiefly Community and Economic Development and Public Safety.

Outcome 1: Provide Safe and Secure Transportation Systems

- **Operating Safe, Secure, and Compliant Airport Infrastructure** – Critical to operating the Airport is maintaining and responding to safety and security issues to meet current and future FAA and TSA safety and security mandates and recommendations. As an example, the City has completed airfield improvements; undertaken construction of the first half of Terminal B to house improved security and baggage systems; and continues to develop roadway and signage improvements. In addition, the Airport funds police, fire, and operational and maintenance staff that provides training, develops highly-skilled response teams, and implements programs and services that achieve high safety and security standards. The Airport will continue to seek to implement effective and efficient compliance programs that ensure the safety of passengers, employees, aircraft, airfield, infrastructure, and terminals.
- **Working Cooperatively with Outside Agencies** – The CSA will strive to continue to fund, develop, and implement the programs and policies which serve to strengthen the safety and security of transportation systems. The Airport continues to work with local, regional, and federal agencies on a daily basis to prepare for changing needs such as the bird flu response program.
- **Ensuring Street Safety** – The City of San José's streets are among the safest in the nation, and through the combined efforts of engineering, enforcement, and education, staff will strive to reduce the number of vehicle, bicycle, and pedestrian injury and fatality crashes and increase the percentage of residents rating traffic conditions as safe while driving, biking, and walking. Engineers will continue to use data to assess and address problem areas and research new and innovative means of improving traffic safety, such as the pedestrian count-down signals that were installed as a part of the Safe Streets Initiative in 2005-2006. Engineers will also carefully review development plans to ensure projects are designed to address street safety needs. Enforcement of traffic regulations by the Police Department will continue throughout the City, with particular emphasis on locations with high crash rates. Education on traffic safety will also continue with an emphasis on school children and seniors.

Outcome 2: Provide Viable Transportation Choices that Promote a Strong Economy

- **Planning a Progressive Surface Transportation System** – The City of San José is expected to increase population and jobs by more than 30% over the next 25 years according to the Association of Bay Area Governments. To proactively plan and implement a transportation system that supports future City growth and economic development, this CSA collaborates with the Community and Economic Development CSA and regional agencies to accomplish the following progressive transportation planning goals:
 - Reduce vehicle travel by planning future development along transit corridors, locating jobs and housing in close proximity, and providing convenient pedestrian and bicycle facilities.
 - Facilitate transportation infrastructure investment by private development and leverage regional grant funding for major projects supporting City economic development.

Current efforts include transportation system development for Downtown, North San José, Evergreen, Edenvale, and Coyote Valley, as well as facilitation of major transportation investments such as: the BART extension; the Airport People Mover system; Caltrain, light rail and bus enhancements; and various freeway and expressway upgrades.

Key Strategic Goals & Objectives *Where are we going? (Cont'd.)*

Outcome 2: Provide Viable Transportation Choices that Promote a Strong Economy (Cont'd.)

- **Deliver Quality Transportation Projects “On-Time” and “On Budget”** - The Transportation and Aviation Services CSA manages three capital improvement programs: Airport, Parking, and Traffic. In combination, these programs represent the City’s largest capital investments in terms of both dollars (\$1.7 billion) and number of projects (approximately 160). A major service goal is to continue to meet delivery performance targets related to quality, timeliness, and efficiency.
- **Development of Airport Infrastructure** – The 2007-2011 Adopted Airport CIP represents a significant change from what was presented in the 2006-2010 Adopted CIP, due primarily to two factors, the first being that air passenger demand volumes originally projected for the year 2010 at 17.6 million are now not anticipated to be reached until 2017 and; the total cost of all of the projects in the revised program will be limited to \$1.5 billion. Input from stakeholders was used to develop a facility that will meet customers need and keep costs low. The implementation of construction of this very large capital program will stimulate both the local and regional economy.
- **Continue Financially Sound Airport Programs** – Continued work with various stakeholders keeps rates and charges reasonable while meeting both business and community air service needs. Careful attention is paid not only to rates charged to the airline tenants, but also to the various service operators at the Airport, including food service, retail, and parking. The Airport continues to carefully examine rate structures that balance revenues, costs and service delivery, and continues to seek both strategic and high revenue-generating opportunities for uses of its property. As well, this budget includes the addition of a Governmental and Legislative Affairs Manager who will be dedicated exclusively to the pursuit of grant opportunities, which could build Airport infrastructure and service improvements at no additional cost to Airport rate-payers.
- **Develop and Implement an Effective Airport Business Strategy Model** – A study is currently underway that identifies and focuses on key business opportunities – including the development of new lines of business and new ways of delivering services, and the facilitation of business relationships that promote business developments and revenue enhancements.

Outcome 3: Travelers Have a Positive, Reliable, and Efficient Experience

- **Reward the Airport Customer Service Experience** – Collaborative passenger outreach and service programs will continue to be developed, such as the customer service training and reward program introduced in 2005. The program provides training to a wide variety of front-line staff at the Airport (food service and retail workers) and then promotes ongoing service excellence through the use of customer comment cards. Airport employees are rewarded for providing excellent service with gift cards, for example. Creative service programs, high facility standards, and maintenance and custodial services are key to keeping air travel positive during the construction process.
- **Creatively Implement New Airport Systems** – The City’s reduced workforce continues to meet and exceed customers’ expectations through innovative programs. The Airport Terminal Equipment Maintenance (ATEMs) Team is an excellent example. The team was developed in 2003-2004 when the cost of outsourcing was increasing and the quality of service began falling. The team not only has successfully met the challenges to provide service 24/7, they have also completed a rebuild of baggage carousels in Terminal A. Keeping existing systems up and running while new systems are developed will continue to be a challenge, but staff is committed to customer service and understands the options airport passengers have to obtain air service at other regional airports.

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Key Strategic Goals & Objectives *Where are we going? (Cont'd.)*

Outcome 3: Travelers Have a Positive, Reliable, and Efficient Experience (Cont'd.)

- **Proactively Manage Downtown Traffic and Parking Issues** – Traffic conditions and parking availability play a significant role in creating a positive image of Downtown for workers, visitors, and event attendees. Recent investments in additional traffic surveillance cameras and the parking guidance system, and continued close coordination with staff from the Police Department and HP Pavilion will result in a much-improved experience for Downtown visitors, and efforts will continue to make Downtown an easy and desirable place to be.
- **Improve Regional Travel on Major Arterials and Freeways** – Through continued partnership, area cities and the County of Santa Clara, VTA, Metropolitan Transportation Commission (MTC), and Caltrans will implement projects and programs to help improve regional travel conditions. For instance, implementation of Intelligent Transportation Systems (ITS) projects along the Steven Creek and Bascom corridors will alleviate traffic congestion during commute hours and busy holiday seasons. These intra-jurisdictional collaborative efforts will ensure effective management of commute traffic as well as major incidents on regional corridors and freeways.

Outcome 4: Preserve and Improve Transportation Assets and Facilities

- **Efficiently and Effectively Manage Aging Infrastructure** – Through development, infill, and capital investment, the City's massive inventory of transportation infrastructure including pavement, landscapes, trees, sidewalks, signals, streetlights, signs, and roadway markings has continued to grow while the resources devoted to operate and maintain the infrastructure have declined. As a result, asset condition ratings have fallen significantly, and the backlog of infrastructure requiring significant repair is projected at \$370 million. Some gains have been made through efficiencies from projects such as the Median Island Rehabilitation and LED Retrofit, which have reduced operating and maintenance costs, as well as the development of lower-cost, alternative activities such as in-pavement sealing. Staff will continue to seek out more cost-saving ideas, but the gap between operating and maintenance needs and actual funding available will continue to widen. Staff will perform preventive maintenance to the extent possible while still ensuring that critical safety issues are addressed in a timely manner, but addressing the gap between resources and needs continue to be a critical issue.
- **Pursue Alternate Funding Options** – There is some improvement to State and federal grant funding available for pavement maintenance, and this year \$5.3 million in one-time funding was allocated in the General Fund for street resurfacing, traffic safety enhancements, and improved neighborhood appearance. However, the one-time and ongoing funding shortfalls are far too massive to be addressed by these sources alone, so staff continues to explore alternate funding options. In support of this effort, the Building Better Transportation Committee directed staff to initiate a Master Plan in 2006-2007 on City Transportation Conditions and Funding Needs. This Master Plan would include community outreach related to specific transportation priorities and levels of support to fund transportation priorities and maintenance needs. This effort is similar to that used by the Library and Parks, Recreation and Neighborhood Services prior to their successful bond measures. The Plan will include recommended funding and implementation strategies that will be brought to the City Council in fall 2007.
- **Maintain Airport Facilities** – The balance of keeping existing facilities up and running smoothly while planning and developing new facilities is especially challenging. The reallocation of Airport staff to closely manage and monitor this process has been addressed in this budget. Facilities staff regularly solicits feedback from Airport tenants and customers and completes regular inspections making service improvements as needed.

Transportation and Aviation Services

FIVE-YEAR BUSINESS PLAN

Key Strategic Goals & Objectives

Where are we going? (Cont'd.)

Outcome 5: Provide a Transportation System that Enhances Community Livability

- **Maintain and Improve Neighborhood Condition** – Well-maintained transportation infrastructure is a key aspect of livable communities. Elements that improve neighborhood aesthetics, such as smooth streets, healthy trees, clean streets, and abated vehicles, as well as those that address safety, such as smooth sidewalks, curb ramps, readable traffic signs, and roadway markings, will continue to be provided in neighborhoods to the best of the CSA's ability with available resources. The CSA will also continue to support SNI activities throughout the City.
- **Mitigate Neighborhood Traffic Impacts** – Implementation of various traffic calming improvements and SNI projects continues to help minimize negative impacts of traffic on residential neighborhoods. Continued emphasis on traffic safety education programs, including a new educational program for seniors, will further the goal of being the safest city in the nation when it comes to vehicular and pedestrian safety. Enforcement of traffic regulations by the Police Department and speed limits by Neighborhood Automated Speed Control Program (NAS COP) will improve safety in neighborhoods and help to keep the injury and fatal crash rate to one of the lowest in the nation.
- **Reduce Environmental Impacts from the Airport** – Balancing economic growth with quality of life continues to be important to the CSA. Staff will mitigate negative Airport impacts with coordinated roadway and access improvements, public transportation programs, as well as noise mitigation efforts such as curfew enforcement and noise abatement programs and policies. The Airport also provides environmental programs to recycle and reduce resource use, as well as sustainable building development. The Airport will also continue to seek grant opportunities to improve community livability and mitigate negative impacts such as the Compressed Natural Gas (CNG) station, CNG bus fleet, and the Acoustical Treatment (ACT) Program, all of which have benefited from grant funds or financial rebate rewards.
- **Strengthen Airport Communications with Community** – Community and Neighborhood communication programs will continue to ensure all parties are aware of stakeholder concerns and related mitigation efforts. The adopted budget includes the addition of a Customer Service Manager reporting directly to the Aviation Director that will proactively provide customers with construction mitigation information to ensure a positive experience. An existing Marketing and Public Outreach Representative has been reallocated to provide additional support to the Airport Neighborhood Services Group (ANS G) outreach and support programs.

City Service Area

Transportation and Aviation Services

TWO-YEAR INVESTMENT STRATEGY

Overview

The continued economic downturn has significantly impacted the resources available to the City and the Transportation and Aviation Services CSA. The CSA has been faced with significant reductions of both budgetary funding and positions beginning with the 2001-2002 Adopted Budget. Despite these challenges, staff remain committed to investing resources in the smartest way to ensure that the transportation systems enhance the economic competitiveness of San José and provide residents with a successful Airport and safe, attractive streets and pedestrian corridors in their neighborhoods. With that in mind, the CSA has carefully considered the City's transportation-related needs and developed a package that reduces the General Fund resources in a manner designed to minimize the impact to asset condition, traffic safety and flow, airport operations, and customer service. Emphasis will remain on ensuring the safety of citizens through traffic enforcement, traffic calming activities, and timely maintenance of traffic control devices such as signals. Efforts will continue to ensure that the appearance of City streetscapes remains at acceptable levels. While preventive maintenance dollars have been significantly reduced, they will be leveraged to the extent possible to avoid more costly repairs in the future. However, the impact of reductions is visible in the City, and the inventory of infrastructure in need of significant maintenance is growing. The CSA also continues to focus on operating and developing the Mineta San José International Airport in a cost-effective manner that meets the region's air transportation needs, and provides the community with a customer-friendly, safe and secure facility.

Key Investments & Objectives *How will we accomplish our goals?*

Outcome 1: Provide Safe and Secure Transportation Systems

Year 1: 2006-2007 – Planned Service Strategies

- **Airport Safety** – Airport security is a high priority and presents a diverse set of challenges. The budget continues Airport funding of 72 positions that provide direct Police and Fire services. Airport staff continues to work with the Transportation Security Administration (TSA) and the Police Department to implement cost effective security programs that enhance safety and security including: the implementation of a traveler registry program pending approval from the TSA, which maintains an advanced background verification for frequent travelers who enroll in the program; the Terminal A in-line baggage screening facility; and the Airfield Perimeter Fence project.
- **Traffic Safety** – Although traffic enforcement is a priority for the Police Department, focus is being directed toward collision response, investigation, and enforcement. No reductions have been included in the 2006-2007 budget, so the number of collisions investigated and citations issued is expected to stay the same, as is on-scene response and investigation of non-fatal traffic collisions. The goal remains to respond to Priority 1 calls within six minutes 75% of the time.

Transportation and Aviation Services

TWO-YEAR INVESTMENT STRATEGY

Key Investments & Objectives *How will we accomplish our goals? (Cont'd.)*

Outcome 1: Provide Safe and Secure Transportation Systems (Cont'd.)

Year 2: 2007-2008 – Projected Service Strategies

- **Traffic Safety** – Focus will continue to be directed toward collision response, investigation, and enforcement as provided by the Police Traffic Enforcement Unit, although reductions may be necessary in the second year. Non-dedicated Patrol will absorb some enforcement functions as part of daily patrol duties. The number of collisions investigated and citations issued will be impacted, as will on-scene response and investigation of non-fatal traffic collisions, but the goal remains to maintain response levels to within acceptable targets.
- **Airport Safety and Security** – The Airport will continue to seek grant funds to help support and enhance security and safety programs. Recent grants have been provided to increase the number of Canine Explosive Detection Teams located at the Airport and the replacement of an Airport Rescue and Fire Fighting (ARFF) vehicle. Also, as part of the Airport's infrastructure development, the design and development of facilities and processes that provide screening of cargo is included.

Outcome 2: Provide Viable Transportation Choices that Promote a Strong Economy

Year 1: 2006-2007 – Planned Service Strategies

- **Traffic Capital Improvements** – The 2007-2011 Adopted Traffic Capital budget funding level for 2006-2007 is \$77.2 million, an increase from \$71.0 million in 2005-2006 but a decline from \$78.5 in 2004-2005. The 2007-2011 Adopted Traffic CIP will continue the City's commitment to improve conditions on the local transportation system with \$242.3 million allocated to expand and enhance the transportation system (down from a high of \$290 million in 2002-2006.) This investment includes \$19 million for local projects such as arterial improvements, \$52.7 million to provide safety and efficiency improvements on arterial and collector streets, and \$56.3 million for maintenance and rehabilitation of transportation assets.
- **Accelerated Airport CIP** – The 2007-2011 Adopted Airport Capital budget includes initial funding for implementation of the rephased Master Plan. The total program is estimated at \$1.5 billion and includes the remodel of Terminal A, the removal of Terminal C, and the construction of Terminal B which includes the North Concourse Building. Capital infrastructure funding for the rephased Airport Master Plan creates jobs through construction, helping to power the region's economic vitality.
- **Off Street Parking Services** – Staff is currently updating the Parking Management Plan that will be brought forward to the City Council in fall 2006. Long-term, these adjustments will help facilitate construction of new parking facilities and support economic growth in the downtown through effective parking policies and programs. Maintenance and operation of the City's 21 existing parking facilities providing over 7,100 spaces, and 2,200 parking meters will continue to be effectively managed and operated.
- **On Street Parking Services** – Parking patrols, with an emphasis on compliance, continues in the downtown, neighborhoods, and business districts to ensure safe and available parking, with the addition of a new position to support 40 new miles of street sweeping parking prohibitions. Continued improvement in the Vehicle Abatement program, which was permanently transferred to the Department of Transportation from Planning, Building and Code Enforcement in the 2005-2006 Mid-Year Budget Review, ensures cleaner streets and reduces blight in residential neighborhoods.

City Service Area

Transportation and Aviation Services

TWO-YEAR INVESTMENT STRATEGY

Key Investments & Objectives *How will we accomplish our goals? (Cont'd.)*

Outcome 2: Provide Viable Transportation Choices that Promote a Strong Economy (Cont'd.)

Year 1: 2006-2007 – Planned Service Strategies (Cont'd.)

- **Increased Air Service to Support Economic Development** – Increased air services are critical in several of the Economic Development Strategy initiatives, most pointedly to serve as a “global gateway” and a “place of opportunity.” The addition of an Air Service Development Manager, whose primary focus is the development of air service, was approved for 2006-2007. In an increasingly global business environment, the availability of air service has become an important requirement for business success. Additionally, the Airport continues to develop and implement programs to educate and enhance local business involvement. These programs seek to involve and successfully promote local business and increase new concession opportunities. The CSA intends to continue to identify and pursue service opportunities that offer significant economic and financial benefits to the region.
- **Interim Development** of the former FMC property will allow flexibility in the relocation of facilities and provide a construction lay down area to help ease construction congestion at the airport site.
- **Event Management** – A new position has been added to coordinate management of special events in San José. This position will be the single point of contact for all transportation-related services necessary to support special events.

Year 2: 2007-2008 – Projected Service Strategies

- **Traffic Capital Improvements** – Funding is expected to decline in 2007-2008 to a level of \$47.3 million. Projects to enhance the transportation system will be minimal and most resources will be allocated to basic operations and maintenance. An increase to the general purpose transfers from the Traffic CIP to the General Fund may be made in lieu of deeper reductions in the Transportation Operating Budget.
- **Airport Capital Improvements** - The second year of the Airport CIP will continue the implementation of the re-phased Airport Master Plan.
- **Air Service Development** - Air service development, marketing, and concession development will continue to be a priority. The Airport provides a critical resource for businesses to consider locating in the region. Additional flights and destinations, especially key high-tech centers, will be sought to support and expand the local economy.

Outcome 3: Travelers have a Positive, Reliable, and Efficient Experience

Year 1: 2006-2007 – Planned Service Strategies

- **Airport Operations** – The Airport continues to be responsive to changing airport customer service needs and federal mandates, and will seek opportunities to provide improved services and infrastructure for passengers and tenants. Reductions to facilities and operations staff may impact in-house responsiveness to special projects and service cycles may be impacted with an increase in passengers.
- **Transportation Operations** – The Traffic Flow Team will continue efforts to retune signals in corridors to improve commute times and support economic recovery, as well as operate Intelligent Transportation Systems to improve travel during commutes and events. Staffing resources have been allocated to allow for delivery of the new grant-funded Traffic Incident Management Center that will facilitate the flow of traffic in the region as well as enable staff to effectively manage incidents ranging from traffic accidents to natural disasters to other emergency situations. Other staffing levels remain the same, and the timeliness of responses to citizen concerns regarding traffic complaints will remain at 50% (down from 62% in 2004-2005).

Key Investments & Objectives *How will we accomplish our goals? (Cont'd.)*

Outcome 3: Travelers have a Positive, Reliable, and Efficient Experience (Cont'd.)

Year 1: 2006-2007 – *Planned Service Strategies (Cont'd.)*

- **Airport IT Plan** – In 2005-2006, the Airport IT Plan was developed in support of the Airport Master Plan to use the latest technological innovations to improve customer service and airport efficiency. New applications and infrastructure will enhance the traveler's ability to navigate through the Airport, provide customer service features for the airlines, and enhance the efficiency of airport operations. Recent staff additions support existing and new technologies necessary for enhanced customer service as well as infrastructure development, such as call processing and construction management software.
- **Airport Customer Service** – The majority of Airport resources are devoted to the customer experience. Airport customer services include access, facilities and amenities, information and security, food and retail concessions, parking and shuttle services, and a host of other facilities and services. Knowing that customers have other options available to them for air travel keeps the Airport looking for new and better ways to serve the public and our tenants. The approved reallocation of a vacant position to create an Airport Customer Service Manager and an Airport Sign Shop Manager will enhance the ongoing coordination, communication, and delivery of Airport services. Staffing additions have been made because the challenge of keeping customer satisfaction levels high will be particularly difficult during the accelerated construction program.
- **Proactive Ground Transportation and Parking Management** – Parking service and shuttle bus operator options are being reviewed as part of the cost cutting and service enhancement process initiated in 2005. Shuttle bus service hours for both parking and rental car lots will be closely reviewed to control costs and ensure customer needs are met, and the reduction of 5% of shuttle bus services during non-peak hours to the employee lot will be carefully managed to ensure the least impact to employees.

Year 2: 2007-2008 - *Projected Service Strategies*

- **Airport Operations and Services** - The CSA will continue to seek input from our customers to improve and expand services and facilities. Airport amenities and concession development and planning as well as the careful monitoring of the impacts and influences of changes in the aviation industry, the local economy, and the city organization will continue.
- **Transportation Operations** – The Traffic Flow Team will continue efforts to optimize arterial traffic flow, but reductions may be necessary, impacting the timeliness of responses to service requests from the community and the number of signals timed for optimized flow.

City Service Area

Transportation and Aviation Services

TWO-YEAR INVESTMENT STRATEGY

Key Investments & Objectives *How will we accomplish our goals? (Cont'd.)*

Outcome 4: Preserve and Improve Transportation Assets and Facilities

Year 1: 2006-2007 – Planned Service Strategies

- **Pavement Maintenance** – Preventive maintenance performed on the City's 2,310 miles of streets is well below the optimal level, although the level of service in response to requests from the public to fill potholes and perform other routine corrective maintenance deemed as potential safety issues remains reasonably high. Resources are being invested in localized rehabilitation of severely deteriorated areas of streets, and continue to provide corrective maintenance and emergency repairs as needed on all streets to maintain safe driving conditions. Preventive maintenance surface sealing is being applied to 72 miles of City streets. In addition, a less expensive treatment of preventive maintenance crack sealing (sealing installed only in cracks ¼ inch wide or more) is being utilized on approximately 80 miles of streets. These treatments are targeted to preserve streets in fairly good condition. If the current level of funding continues, nearly one-third of all streets in the City of San José will be in need of resurfacing by the end of 2010-2011. Commuters will suffer poor ride quality due to increasing cracks, rutting, and potholes on the pavement. Aesthetically, streets will begin appearing more worn and patchy.
- **Sidewalk Repair** – Current program funding continues, along with the current \$500 cap on sidewalk repair grants (and a \$1,000 cap on properties with double the typical frontage length). If demand remains at current levels, however, it is anticipated that the program will run out of grant money before the end of the fiscal year as was the case in 2005-2006, at which point, no grants will be available until the following fiscal year. Until then, approximately 25% of all residents will get a 100% grant and every eligible resident will receive at least some portion of a grant up to \$500 or \$1,000, but all will have to wait longer for requested inspections. Ultimately, all reported sidewalk damage will be repaired.
- **Traffic Maintenance** – Over 85,000 traffic and street signs, 58,000 streetlights, 877 traffic signals, and roughly 5.3 million square feet of roadway markings continue to be maintained by this core service. Reductions are primarily focused on electricity costs so that resources can remain available to address safety issues such as malfunctioning traffic signals or damaged or missing signs in a timely manner. Capital funds have been used to retrofit Traffic Signals with LED green and yellow lights, and ongoing funding for LED replacements in the General Fund has been eliminated. The overall condition of assets continues to decline from 72% to 70% in good condition due to the cumulative impact of prior cuts. Citizens continue to notice that signs and markings are more faded and harder to see at night, streetlight malfunctions take longer to be repaired, traffic signals are not functioning as efficiently, or a signal lamp may be out more often than before. However, staff continues to do everything possible to ensure that safety won't be compromised while traveling on City streets.
- **Street Landscape Maintenance** – This core service continues to maintain over 500 acres of landscaping (including 280 acres in Special Districts), 340,000 trees, and inspects and repairs 2,500 damaged sidewalks. Necessary reductions have resulted in a decline in landscape condition from 68% in 2005-2006 to 65% in 2006-2007, and a decline in the urban forest maintained in optimum condition from 40% in 2005-2006 to 37%. To maintain as much efficiency and productivity as possible, staff continues to focus on activities in which moderate investments now prevent significant costs later, such as irrigation repair and pre-weed emergent spraying activities. Consequently plant and tree care, tree replacement, regular weeding during the growth season, and response to customer complaints about aesthetics may suffer and citizens may notice more weeds and debris in median islands, as well as less healthy and dense plant material from less frequent watering and lost plants. Staff plans to make greater use of Alternate Work Program participants. The program participants would perform activities such as general landscaping clean-up which don't require the specific skills possessed by landscape maintenance staff.

Transportation and Aviation Services

TWO-YEAR INVESTMENT STRATEGY

Key Investments & Objectives

How will we accomplish our goals? (Cont'd.)

Outcome 4: Preserve and Improve Transportation Assets and Facilities (Cont'd.)

Year 1: 2006-2007 – Planned Service Strategies (Cont'd.)

- **Airport Master Plan Implementation** – In 2005-2006, a financial model was prepared to assess the feasibility of and develop a viable strategy for undertaking the Airport's capital improvement program. Based upon the input and analysis of Airport stakeholders, the Airport's capital improvement program was revised. To expedite the implementation of this new program, and achieve cost savings, the City Council approved in March 2006 a Design-Build Request Process for the Terminal Area Improvement Plan. 2006-2007 marks the beginning of substantial investment in the development of the terminal area. With the award of a design-build contract scheduled for fall 2006, work will begin on a number of terminal area improvement and various roadway projects.

Year 2: 2007-2008 – Projected Service Strategies

- **Pavement Maintenance** – Only priority repairs such as potholes and other safety-issues will be addressed fully, and a few miles of streets will be sealed as maintenance faces continuing significant funding shortfalls. Travelers will notice the deteriorated pavement in a rougher ride when traveling on City streets. More cracks and rutting will appear, and potholes will occur more frequently although they will continue to be repaired in a timely manner.
- **Traffic Maintenance** – The traffic and street signs, streetlights, traffic signals, and roadway markings will continue to be maintained, but preventive sign maintenance would be reduced or eliminated depending on the level of cuts required, and the number of new sign and marking installations will decline if additional staffing cuts occur. The overall condition of assets will continue to decline, and there will be delays in the installation of new traffic calming devices (signs and markings). Staff will continue to provide services that will ensure travelers' safety on City streets.
- **Sidewalk Repair** – The cost of sidewalk repairs would revert to property owners following the elimination of the sidewalk grant program. Citizens will have to wait longer for requested inspections, but ultimately, all reported sidewalk damage will be repaired, although at the property owner's expense.
- **Street Landscape Maintenance** – This core service will continue to maintain landscaping and trees, but necessary reductions would result in further declines in condition.
- **Strategic Support** – Administrative Services will continue to provide key services in the areas of accounting and fiscal management; personnel, training, and safety; and information technology for roughly 460 Transportation employees in spite of continued reductions to resources. Timeliness in paying invoices and processing timecards, and response to various requests for service will experience some declines, but critical support functions will continue to be provided as seamlessly and effectively as possible.

Outcome 5: Provide a Transportation System that Enhances Community Livability

Year 1: 2006-2007 – Planned Service Strategies

- **Transportation Operations** – The Traffic Calming Program continues to respond to service requests from the community (1,400 in 2005-2006) in an effort to mitigate traffic concerns and impacts in neighborhoods, but timeliness of responses remains low at approximately 50% (down from 83% in 2002-2003) due to limited resources. NASCOP (photo radar) enforcement continues to be used to address speeding problems in neighborhoods. Available resources will limit other traffic calming improvements to primarily basic projects such as new pavement markings, traffic signage, and enforcement. Capital funding continues for traffic safety education, enabling the continuation of the program.

City Service Area

Transportation and Aviation Services

TWO-YEAR INVESTMENT STRATEGY

Key Investments & Objectives *How will we accomplish our goals? (Cont'd.)*

Outcome 5: Provide a Transportation System that Enhances Community Livability

Year 1: 2006-2007 – Planned Service Strategies

- **Airport Noise Mitigation** – The Airport has successfully introduced a variety of noise monitoring and curfew enforcement programs, and outreach activities help the Airport work with the community to resolve various stakeholder issues. Staff is currently gathering suggestions for the use of approximately \$245,000 in fines and interest collected as a result of the curfew program, and this fall will recommend a program to the City Council for the use of these funds to support community goals. The CIP continues funding for the Acoustical Noise Treatment (ACT) Program which provides noise abatement construction to residents living in the noise contour and the Category IB Eligibility Area. To date, approximately 2,200 dwelling units and four schools have been acoustically treated, representing a combined community investment of over \$135 million. Approximately 400 units will remain to be completed in the next two years, with program completion expected in 2008.
- **Airport Environmental Programs** – The Airport's Compressed Natural Gas Station (CNG) is open to the public and the Airport encourages the communities' use of alternative fuel vehicles. Recent incentives to ground transportation providers, mainly taxis, have increased the station's use 25% in the past quarter. While the approved reduction of a vacant Environmental Specialist will limit the expansion of environmental programs in the short-term, Airport's facility energy efficiency programs continue to enhance service and reduce costs.

Year 2: 2007-2008 – Projected Service Strategies

- **Transportation Operations** – The Traffic Calming Program will continue efforts to address neighborhood traffic impacts, but NASCOP (photo radar) enforcement may no longer be available, significantly impacting the program's ability to address speeding problems in neighborhoods, and further reductions will impact the timeliness of responses to service requests from the community and the number of improvements installed. Grant funding for the school traffic safety education program will be exhausted, and without alternate funding, the program will end.
- **Airport's Environmental Program** – The CSA will continue to mitigate the environmental impacts of various Airport activities through community noise abatement, curfew compliance, air quality programs, neighborhood outreach, and traffic mitigation projects. An example is the use of the CNG fuel, which is expected to continue to grow in 2007-2008 with the replacement of the rental car shuttle bus fleet.

City Service Area

Transportation and Aviation Services

PERFORMANCE BY OUTCOME

Outcome 1: Provide Safe and Secure Transportation Systems

Emergency Planning and Readiness

A full scale earthquake scenario emergency exercise was held at the Airport in March 2006. The exercise simulated a 7.0 magnitude earthquake and allowed over 120 tenant and operations staff to practice response procedures and services. The exercise included evacuation calls and processes, activation of the Airport Emergency Operations Center, on-site and off-site emergency responders treating "injured passengers", search team sweeps, and a full observer and evaluation process. This type of program along with ongoing partnering with regional emergency planning with both San Francisco and Oakland Airports supports the readiness of the Airport to meet the community's transportation needs as well as general emergency readiness in the City.



Airport Rescue and Fire Fighting (ARFF)

Two significant projects related to ARFF are included in the Airport's CIP – the first is the purchase of a new Airport Rescue and Fire Fighting vehicle. A grant will provide for a significant portion of the cost of the vehicle that will replace the current one purchased in 1992. The second project is the inclusion of \$10.3 million for the ARFF Facility upgrade. Staff is working with the FAA to secure grant funding for this project, which will support the design and construction of an upgraded fire station facility on the east side of the Airport.

Improved Crash Rates and Safety

The Police and Transportation Departments will continue to enhance safety through programs that address locations with high crash rates. The efforts are expected to keep the rate of crashes on arterial and neighborhood streets from increasing.

Based on the crash data for the calendar year 2005, the rate of injury and fatality crashes has dropped to 3.4 occurrences per 1,000 population. This is a significant improvement from earlier years and achieves the 2007-2011 five-year goal and is well below the 2004 national average of 6.47 occurrences per 1,000 population. Further, residents' ratings on traffic conditions as safe while driving, bicycling, and walking have all realized substantial gains since the last survey in 2003. It is believed that the improvement in crash rates and citizens feeling safe is reflective of many factors including specific City investments in transportation safety projects such as: the Safe Streets Initiative (pedestrian countdown heads); TDA-3 Improvements (bicycle lanes, sidewalks, and school safety education); ADA Curb Ramps; and various Strong Neighborhoods Initiative (SNI) projects.

FAR 139 Regulatory Compliance

A new performance measure (B.1) has been introduced to the CSA in the 2006-2007 Business Plan to annually report on the Airport's compliance with Federal Aviation Regulations (FAR) Part 139 requirements. Each year the FAA performs an extensive review of an airport's compliance with airport safety and operating criteria with regard to such elements as: infrastructure, maintenance, operation, policy, procedure, reporting, training, and response capability. The most recent inspection was held in March 2006 and the Airport is pleased and proud to note that there were no discrepancies found. The exceptional work provided by a variety of partners, divisions, and staff provides the community with an Airport that consistently operates in a safe and secure manner.

City Service Area

Transportation and Aviation Services

PERFORMANCE BY OUTCOME

Outcome 1: Provide Safe and Secure Transportation Systems (Cont'd.)

5 Year Strategic Goals	CSA Performance Measures	2007-2011 5-yr Goal	2005-2006 1-yr Target	2005-2006 Estimated	2006-2007 1-yr Target	2007-2008 2-yr Target
A. Improve Surface Transportation System Safety	1. % of residents rating traffic conditions as safe while:					
	Driving	83%	80%	83%	83%	83%
	Bicycling	50%	41%	48%	48%	48%
	Walking	80%	75%	79%	79%	79%
	2. Number of injury and fatality crashes per 1,000 population	3.4	3.4	3.4	3.4	3.4
	3. Number of pedestrian and bicycle-related injury and fatality crashes per 1,000 population	0.60	0.65	0.64	0.63	0.63
B. Achieve Safe and Secure Air Transportation System and Infrastructure	1. Pass Annual Federal Aviation Regulation FAR 139 inspection with no discrepancies identified	100%	100%	100%	100%	100%

Changes to Performance Measures from 2005-2006 Adopted Budget: Yes¹

¹ Changes to Performance Measures from 2005-2006 Adopted Budget:

+ "Pass Annual Federal Aviation Regulation FAR 139 inspection with no discrepancies identified" measure was added to reflect the airport focus on safety and security.

City Service Area

Transportation and Aviation Services

PERFORMANCE BY OUTCOME

Outcome 2: Provide Viable Transportation Choices that Promote a Strong Economy

City Economic Development Strategy

Mineta San José International Airport strives to provide the air service necessary to support the Silicon Valley economy, including cargo services to support transportation of the region's products to the global market. The CSA seeks to support many elements included in the City's Economic Strategy, which guides policies, investments, and partnerships. Results of this Outcome are achieved by providing the facilities and infrastructure to support transportation via air service and programs to develop and support the appropriate diverse mix of carriers, destinations, and flight frequencies to meet service demands of the region.

Air Service Development

The Airport continues to work with its partners – the Office of Economic Development, Convention and Visitor's Bureau, and the San José Silicon Valley Chamber of Commerce – to conduct market research and outreach to the business community. Recent air service successes have included Mexicana Airlines beginning twice-weekly service to Mexico City and the introduction of Hawaiian Airlines to SJC initiating daily service to Honolulu.

Airport Capital Improvement Program

The 2007-2011 Adopted Airport CIP funds construction projects of roughly \$1.1 billion and focuses on the completion of construction of the North Concourse Building and the implementation of a new Terminal Area Improvement Program. Phase I of the program includes a number of projects anticipated to be part of the design-build contract scheduled for award in fall 2006. Elements include: construction of the first half of Terminal B, roadway improvements, landscaping, signage, improvements to the existing Terminal A and a phased tear down of Terminal C, which includes the development of a temporary ticketing and baggage claim center.

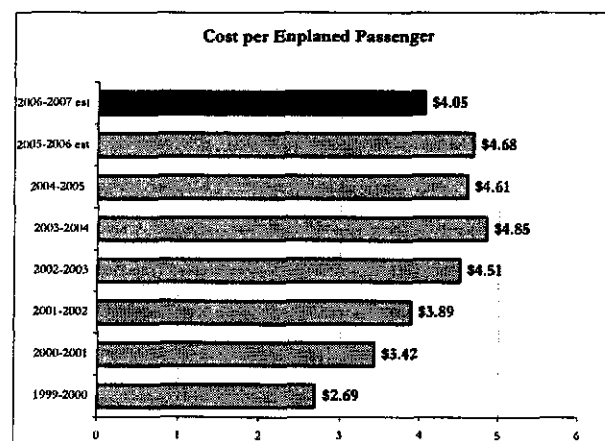


Airport interim development of the FMC property is anticipated to provide beneficial uses for the Airport and community. Opportunities to use areas on the FMC site continue to be evaluated.

Rates and Charges

Another important aspect of partnering with business is maintaining a competitive rate structure. Competition for new air service between the Bay Area's airports makes it particularly important for San José to maintain a positive business environment in order to remain a viable option for airlines. This enhances the likelihood of meeting the air service needs of businesses in the region. The Adopted Budget includes an increase in the landing fee, from \$1.43 to \$1.80 per thousand pounds. However, average rental rates per square foot have decreased from \$142.15 to \$84.53 for Terminal A and from \$81.80 to \$81.66 in Terminal C. Perhaps the most important measure in this outcome is the cost per enplaned passenger (CPE), which is estimated to decrease from \$4.68 to \$4.05 in 2006-2007.

The CPE is a key indicator. The following chart provides a history of the CPE at SJC. It is important to point out that these costs are influenced by both the costs of operating and building the Airport, as well as the number of passengers using the Airport. The Airport and our tenants are impacted greatly by the volume of passengers flowing through the Airport.



City Service Area

Transportation and Aviation Services

PERFORMANCE BY OUTCOME

Outcome 2: Provide Viable Transportation Choices that Promote a Strong Economy ***(Cont'd.)***

Partnering with Business

The CSA strives to partner with businesses to help ensure the success of the regional economy. This includes providing air service between strategic markets, as well as providing facilities and services businesses desire. The CSA is committed to maintaining and developing flights and services necessary to serve business travelers as they return.

Performance Measures

The target set for the 5-year Goal for Cost per Enplaned Passenger (CPE), \$11.28, reflects the most recent financial study based on costs and enplanement projections in 2011. The long-term and short-term estimates and goals for the CPE have been shared with the Airlines during discussion in the development of the revised Terminal Area Improvement Program.

Surface System Completion

Transportation remains a high priority in the Bay Area, topping the list in the recent Bay Area Public Issues of Concern survey, and transportation-related issues were once again a top issue of concern for San José residents in the latest survey. Unfortunately, limited General Fund and Traffic CIP resources will impact the City's ability to facilitate the completion of the planned Local and Regional Transportation System in a timely manner. Nonetheless, providing viable transportation choices remains a key goal of the CSA, and many projects are underway this year to support that effort.

In response to City Council priorities, the CSA has and will continue to focus on projects that have a positive impact on economic development within the region. Completion of the Route 87 freeway and the Route 880/Coleman interchange project will facilitate the expansion of San José Mineta International Airport, the Coleman corridor, and access to Downtown. Continued partnership with CalTrans, VTA, and the County will facilitate improvements at the 880/Stevens Creek interchange and along Route 101 in North San José, Berryessa, Evergreen, and Edenvale areas. Also, funding from the North San José Development Plan will improve Montague Expressway. Other projects underway include: Route 101 North Corridor, Route 101 Central Corridor, Route 101/Mabury interchange, 880/Stevens Creek interchange, and the County

Expressway System. These efforts will bring the percent of local arterial street system planned to 98% complete in five years and the percent of planned freeway and expressway system complete to 93% in five years.

With such a significant portion of the arterial and highway system complete, the CSA is ensuring that resources are also directed towards alternate commute options such as the bike, pedestrian, carpool, and rapid transit networks. Support to the VTA and other regional partnerships to facilitate BART to San José remains a priority transportation project for the region and City and preliminary engineering is active for the BART extension to San José and the light rail extension along Capitol Expressway. In addition, key investments are being made to expand bicycle and pedestrian facilities as well as carpool lanes. Both short term and five-year goals reflect the anticipated benefit of these investments.

Alternate Commute Options

The percentage of commuters not driving alone to work is estimated to remain stable. While increasing gasoline prices have the potential to shift travel to transit and non-auto modes, the ongoing reductions in transit service and higher fares tend to have an offsetting effect. Residents rating access to public transit as "easy" have declined recently and are anticipated to remain at about 75%. Strategies to boost alternate commute options include the development of new transportation funding sources to support transit services. Also, continued "smart growth" development that locates more jobs and housing within close proximity and along transit lines will help to foster more travel by walking, biking, and transit.

The loss of more than 200,000 jobs in Santa Clara County since 2000 has impacted the way that VTA has provided service. VTA has modified its bus services to reflect the change in ridership demand. As part of that change, VTA has instituted services such as the Rapid 522, which provides faster, more frequent and more direct service between Eastridge and Palo Alto. In addition, VTA is reviewing Community Bus service, which is a concept for using smaller vehicles in smaller designated areas.

City Service Area

Transportation and Aviation Services

PERFORMANCE BY OUTCOME

Outcome 2: Provide Viable Transportation Choices that Promote a Strong Economy (Cont'd.)

Surface CIP Delivery

The project delivery team within surface transportation continues to improve planning and problem solving, keeping more projects on-time and on-budget. The CSA is expected to deliver 85% of its projects on-time, and 90% on-budget in 2005-2006, and expects to

continue improvement in this area of performance in 2006-2007. Working in partnership with the CIP Action Team, each project is tracked in detail, issues are addressed in a timely manner, and projects are being delivered on-time more consistently.

5 Year Strategic Goals	CSA Performance Measures	2007-2011 5-yr Goal	2005-2006 1-yr Target	2005-2006 Estimated	2006-2007 1-yr Target	2007-2008 2-yr Target
A. Facilitate Completion of Planned Local and Regional Transportation System	1. % of planned arterial street system complete	98%	97%	97%	98%	98%
	2. % of planned bikeway network complete	60%	52%	54%	56%	57%
	3. % of residents rating the City service in providing bike lanes and paths as good or better	65%	65%	62%	62%	63%
	4. % of established pedestrian corridors meeting design standards	27%	26%	26%	26%	26%
	5. % of planned systems completed:	27%	26%	26%	26%	26%
	Freeway and Expressway %	93%	90%	90%	93%	93%
	Carpool Lane %	96%	84%	84%	96%	96%
B. Expand Use of Alternate Commute Options	Rapid Transit %	41%	40%	41%	41%	41%
	1. % of commuters not driving to work (includes telecommuters)	30%	28%	26%	27%	28%
C. Meet Communities Needs for Air Service Destinations and Frequencies	2. % of residents rating access to public transit as "easy"	78%	75%	75%	75%	75%
	1. % of customers able to reach desired destinations from the Airport	80%	70%	N/A*	70%	73%
	2. % of customers surveyed rating the frequency of air service as good or excellent	80%	75%	N/A*	75%	77%
	3. % of regional air service market	18%	20%	18%	18%	18%
	4. % of corporate travel planners and travel agents that feel SJC provides adequate domestic air services to business passengers	85%	70%	N/A*	75%	80%
	5. % of corporate travel planners and travel agents that feel SJC provides adequate international air services to business passengers	30%	27%	N/A*	27%	27%
D. Provide Corporate and Cargo Services that Support the Communities' Business Needs	1. % of regional demand for air cargo services met by SJC	10%	10%	7%	7%	8%

Changes to Performance Measures from 2005-2006 Adopted Budget: No

* As the result of the 2005-2006 Cost/Position Management Plan, the annual Airport Customer Survey was not completed.

City Service Area
Transportation and Aviation Services
PERFORMANCE BY OUTCOME

Outcome 2: Provide Viable Transportation Choices that Promote a Strong Economy
(Cont'd.)

5 Year Strategic Goals	CSA Performance Measures	2007-2011 5-yr Goal	2005-2006 1-yr Target	2005-2006 Estimated	2006-2007 1-yr Target	2007-2008 2-yr Target
E. Cost to Airlines of Operating at the Airport is Competitive with other Airports in the Region	1. Airline cost per enplaned passenger	\$11.28	\$4.33	\$4.68	\$5.30	\$6.20
F. CSA Delivers Quality CIP Projects On-time and On-Budget	1. % of CIP projects delivered within 2 months of approved baseline schedule	85%	85%	90%** 70/78	85%	85%
	2. % of CIP projects that are completed within the approved baseline budget	90%	90%	89%*** 25/28	90%	90%
	3. project delivery costs (exclusive of city-wide overhead) as % of total construction cost for completed projects with construction costs:					
	Less than \$500,000-	31%	31%	36%	31%	31%
	between \$500,000 and \$3M-	23%	23%	24%	23%	23%
	greater than \$3M-	15%	15%	31%	15%	15%
	4. % of operations and maintenance divisions rating new or rehabilitated capital facilities as being functional and sustainable after first year of use	80%	80%	80%	80%	80%
	5. % of customers rating new or rehabilitated CIP projects as meeting established goals (4 or better based on a scale of 1-5)	85%	85%	85%	85%	85%

Changes to Performance Measures from 2005-2006 Adopted Budget: No

** These performance measurements measure projects that entered into beneficial use during 2005-2006.

*** These performance measurements measure projects accepted in 2005-2006.

Outcome 3: Travelers Have a Positive, Reliable and Efficient Experience

Airport Guest Experience and Expectations

The focus of this outcome at the Airport is to provide a positive and predictable experience for customers. Airport customer service demands are dynamic. Passengers expect more from the Airport, while fiscal constraints continue to mean reduced staffing levels and reductions to non-personal/equipment funding.

Although the Airport's annual customer survey for 2005-2006 was suspended due to budget constraints and the approved Cost/Position Management Plan, the Airport completed several projects of note during the year that provide enhanced customer services.

Ground Transportation

Just in time for the 2005 summer travel season, the Airport opened its' new Cell Phone Waiting Area. The area opened in early July and provides a safe, secure, and



convenient wait area to meet flights that have not yet arrived. The area helps to reduce traffic congestion in front of the terminals and the air pollution that comes with re-circulating traffic. The lot features 49 parking spaces, lighting, and signs with rules and regulations. The Airport's One Hour Express Parking program and the \$5 Summer Parking Coupons also provided customers with financial incentives to use the Airport's parking lots. The One Hour Express Parking program has been very successful in meeting the needs of meeter and greeters. The Program dedicates 120 parking spaces, conveniently located near the entrances to baggage claim and the airline ticket counter in the Terminal C short-term lot and the Terminal A parking garage, for those customers visiting the Airport to drop off or pick up passengers. The \$5 Coupon Program offers customers discounted parking for every 24 hours parked in the long-term parking lot via the Airport website and advertisements in the San José Mercury

News. The program provides benefits for both the customers, with the parking cost savings, and the Airport by the increased use of the Airport website.

Signage and Flight Information Displays

The Airport has begun implementation of a comprehensive sign program. Efforts include the review of existing signs to ensure customers have the information needed to move efficiently to and through the terminals. Thus far the program has successfully eliminated confusing signs, reduced signage clutter and introduced enhanced way-finding signage by installing bold easy to read signs in both terminals. The addition of a new Sign Shop Manager, and a \$2 million contract for sign design and oversight was approved in the 2006-2007 budget. Customers in Terminal A also enjoy a new Flight Information Display (FIDs) Area adjacent to the check-in lobby. Enplaning passengers have benefitted from the locally produced "Divesture Video" that provides video instructions and information on how to prepare for and expedite the SJC checkpoint security process.



Customer Amenities

Customer amenity improvements seen in 2005-2006 are varied. Of particular note is the expansion of the Alaska holdroom in Terminal C. A wall was removed to open up available space and approximately 40 new seats were installed. Three new food choices were added during the year, including a Cinnabon kiosk near Gate C-4, a Starbucks near Gate A-2, and a new bar and eatery called Runway's in Terminal C's South Concourse.



City Service Area Transportation and Aviation Services PERFORMANCE BY OUTCOME

Outcome 3: Travelers Have a Positive, Reliable, and Efficient Experience (Cont'd.)

Registered Traveler Program

In December 2005, the Airport negotiated with Verified Identity Pass, Inc. to design and manage a fast pass service program to speed enrolled passengers through security. The program, once approved by the Transportation Security Administration (TSA), will provide travelers with the opportunity to sign up for a pre-screening security process that will provide and check biometric data (fingerprint and iris images) using a Clear Card™. It is estimated that customers who sign up for the program may save as much as 29 minutes in check-in processing time during the Airport's busiest times.

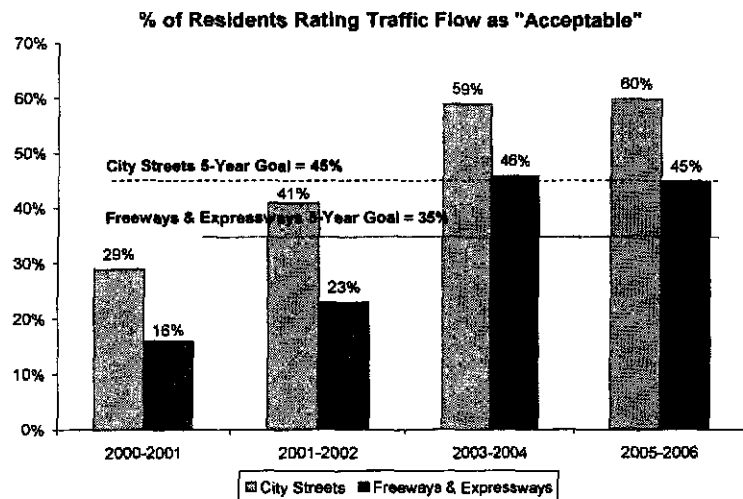
Airport Space Use

The Airport continues to make every effort to improve customers' experience through planned space use. The most recent example is the movement of Frontier Air's early morning flight to Denver from C-5A to C-12. Congestion at the security check point led to unacceptable wait times, and by moving the flight's gate and adjusting staffing levels, the shift of passengers reduced average wait times by approximately 20 minutes.

Traffic Flow Improvements

The 2005 survey data suggests citizens have recently experienced reduced traffic on City streets and freeways as evidenced by the increase in satisfaction with traffic flow over the past few years. However, this improvement is due in large part to the current unemployment rate and resulting reduction in the number of drivers on the road, particularly during commute hours. As employment and the economy improve, increased congestion is likely to occur.

This CSA recognizes that improving traffic flow on streets and freeways is a key element of economic



revitalization, and continues efforts to retain as much of the improvement in traffic flow as possible after the economy rebounds and the number of commuters increases. Specific efforts include signal timing to and from the Downtown, Mineta San José International Airport, and major shopping centers; significant capital projects such as the Route 87 freeway and the Coleman/Route 880 interchange; and operation of intelligent transportation systems to manage incidents as well as event traffic at the HP Pavilion and other major activity centers. This work also supports the strategic initiatives for Economic Development, particularly those regarding creating a "global gateway" through the Airport and the "most livable community" through improving access.

In 2006-2007, the CSA will continue to improve the traffic signal system and work with CalTrans and VTA to improve the efficiency of the freeway system and support light rail and BART extension projects.

City Service Area
Transportation and Aviation Services
PERFORMANCE BY OUTCOME

Outcome 3: Travelers Have a Positive, Reliable, and Efficient Experience (Cont'd.)

5 Year Strategic Goals	CSA Performance Measures	2007-2011 5-yr Goal	2005-2006 1-yr Target	2005-2006 Estimated	2006-2007 1-yr Target	2007-2008 2-yr Target
A. Passengers Have a Positive Experience When Using the Airport	1. % of customers rating the Airport amenities as good or excellent, based on availability, quality, and cost	90%	65%	N/A*	65%	65%
	2. % of business passengers rating the Airport services as good or excellent, based upon availability of amenities, quality, and cost	90%	70%	N/A*	70%	70%
	3. % of business passengers rating rental car services as good or excellent, based upon availability, quick return of rental cars, courtesy or rental car stuff, and reasonable rental car rates	90%	70%	N/A*	70%	70%
B. Airport Customers Experience Reasonable and Predictable Travel	1. % of customers rating travel time from the Airport entrances to the terminals as good or excellent	100%	60%	N/A*	70%	70%
C. Improve Traffic Flow on Major Streets	1. % of residents rating commute traffic flow on city streets as "acceptable" or better	50%	55%	60%	60%	55%
	2. % of City intersections at Council-adopted level of service	98%	98%	98%	98%	98%
D. Facilitate Efficient Operations of the Regional Freeway System	1. % of residents rating commute traffic flow on freeways and expressways as "acceptable" or better	35%	46%	45%	45%	40%
	2. % of freeways operating at below 35 mph during peak hours	40%	37%	40%	40%	40%
E. Enhance Access to Major Activity Centers and Events	1. % of customers rating access to major activity centers as "easy:"					
	Downtown	75%	80%	73%	73%	73%
	Airport	75%	75%	73%	73%	75%
	HP Pavilion Arena	75%	75%	71%	71%	71%
	Regional Shopping Centers	80%	85%	82%	82%	82%

Changes to Performance Measures from 2005-2006 Adopted Budget: No

* As a result of the 2005-2006 Cost/Position Management Plan, the Annual Airport Customer Survey was not completed.

City Service Area

Transportation and Aviation Services

PERFORMANCE BY OUTCOME

Outcome 4: Preserve and Improve Transportation Assets and Facilities

Airport Facility Maintenance and Improvements

While the community and engineering focus has been on the design and building of the Airport Master Plan, Airport Facilities staff have been creative in meeting the ongoing and emerging maintenance needs of our older facilities. Creative in-house improvements are addressing the aging infrastructure in a way that keeps costs low while ensuring facility and system reliability. Staff have rebuilt Terminal A baggage carousels, refloored jet bridges, and repainted terminal areas with a new color scheme to brighten the space. The Central Plant distribution systems have been improved to reduce energy costs and enhance system reliability. New flooring products are being evaluated in heavy use areas and the Building Services group is piloting new products to keep the bathrooms clean, including battery-operated towel dispensers. Americans with Disability Act (ADA) improvements, including the addition of automatic terminal doors, have also been made to facilitate use of the facility. Airfield and ramp area lighting improvements have also been made increasing system reliability and safety.

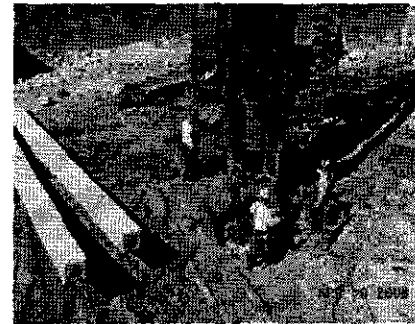
The performance measurement targets related to facilities and airport facility condition are projected to stay consistent with the 2004-2005 actual levels. Even with improvements, efficiencies, and hard work, the impacts of construction and staff reductions are anticipated to impact some customers.

Airport Work Order Systems

Aging infrastructure and decreased staffing levels have required the development of systems and priorities that efficiently drive the work order process. Starting in 2005-2006, the Airport Communication Center (ACC) began centrally logging in repair maintenance and service calls. This provides staff and tenants with a one stop shop for routine and emergency service calls. The Computerized Maintenance Management System is a tool used by the Airport that facilitates enhanced work order management, asset lifecycle management, workforce analysis and benchmarking, and automated integration with automated building systems.

Infrastructure Improvements

Mineta San José International Airport continues the development of infrastructure necessary to meet the region's air service needs. The November 2005 passage of a revised capital improvement program, including the Terminal Area Improvement Program, the planned development of the former FMC property, the design of Airport roadway systems, and engineering of a Consolidated Rental Car Facility (ConRAC), will all contribute to the development of transportation infrastructure that addresses critical customer service needs as well as supports airline industry demands.



Pile Driving - Airport North Concourse

Infrastructure Maintenance Condition

The combination of shrinking resources and growing inventories has had a very visible effect on infrastructure maintenance and the overall condition of City infrastructure assets. In 2005-2006, core service condition ratings are continuing to fall nearly across the board: neighborhood street trees (39% in "good" or better condition, down from 48%), street landscapes (68% in "good" or better condition, down from 74%), traffic signals (33% meeting preventive maintenance guidelines, down from 41%), traffic and street name signs (80% meeting visibility and operational guidelines, down from 86%), traffic roadway markings (65% meeting visibility and operational guidelines, down from 69%), and street pavement condition (81% in good or better condition, down from 84%). Community Survey results indicate that transportation-related facilities and services are some of the most serious concerns facing San José residents.

City Service Area

Transportation and Aviation Services

PERFORMANCE BY OUTCOME

Outcome 4: Preserve and Improve Transportation Assets and Facilities (Cont'd.)

Infrastructure Maintenance Condition (Cont'd.)

Preventive maintenance activities are far below optimal levels. Some assets, particularly street pavement, will suffer long-term effects from the lack of preventive maintenance, as further condition deterioration will require costlier treatments in the future. The cost of resurfacing a poor condition street is four times the cost of preventively sealing a good condition street. The City street network's current estimated resurfacing need is \$175 million and is projected to rise to over \$250 million by 2011.

Stretching and Augmenting Resources

The City remains committed to the safety of its citizens. Despite resource reductions, safety critical repairs will continue and hazardous condition response levels will remain high. In 2006-2007, the timeliness measures for work of this nature will continue at 2005-2006 levels.

Key capital investments are programmed to continue in 2006-2007 in order to help mitigate maintenance resource reductions: 2006-2007 is the second year of a

\$2.5 million project to retrofit the remaining green and yellow incandescent traffic signal lamps with energy efficient Light Emitting Diode (LED) units. The new LED units will produce ongoing electricity cost savings of \$300,000 once the project is completed. Additionally, the City of San José has secured over \$9 million of federal transportation funding for local streets and roads maintenance funds. These funds will be used for resurfacing of major streets that meet the federal guidelines and qualifications.

Despite these investments, the City faces serious long-term funding issues in regards to the operation and maintenance of its transportation infrastructure. Modeling strategies that the Library, Fire, and Parks, Recreation and Neighborhood Services Departments have used recently in the face of similar crises, the Department of Transportation presented in spring 2006 a report to the Building Better Transportation Committee that proposed the development of a Master Plan on City Transportation Conditions and Funding Needs. This proposed Master Plan would thoroughly define asset conditions, needs, and priorities, as well as evaluate community interest and support in funding those needs.

5 Year Strategic Goals	CSA Performance Measures	2007-2011 5-yr Goal	2005-2006 1-yr Target	2005-2006 Estimated	2006-2007 1-yr Target	2007-2008 2-yr Target
A. Maintain Pavement Surfaces in Good Condition	1. % of residents rating "neighborhood" streets in "acceptable" or better condition	79%	83%	87%	87%	83%
	2. % of streets rated in "fair" or better condition (50 or greater on a 0-100 scale)	73%	81%	81%	79%	77%
	3. City average Pavement Condition Index (PCI) rating. (Metropolitan Transportation Commission recommended condition level is .80)	0.60	0.65	0.65	0.64	0.63
B. Maintain Traffic Devices in Good Condition	1. % of traffic signals, signs, and markings in "good" or better condition (visible and functioning properly)	59%	63%	59%	59%	59%
C. Preserve and Enhance Neighborhood Streetscape	1. % of residents rating streetscapes in "good" or better condition (includes: sidewalks, street lights, landscaping, and trees)	55%	57%	61%	61%	59%
	2. % of neighborhood street trees in "good" or better structural condition	37%	40%	39%	37%	37%
	3. % of residents rating adequacy of street lighting as "good" or better	58%	60%	59%	59%	58%
	4. % of planned landscaped median island locations complete	72%	72%	72%	72%	72%

City Service Area

Transportation and Aviation Services

PERFORMANCE BY OUTCOME

Outcome 4: Preserve and Improve Transportation Assets and Facilities (Cont'd.)

5 Year Strategic Goals	CSA Performance Measures	2007-2011 5-yr Goal	2005-2006 1-yr Target	2005-2006 Estimated	2006-2007 1-yr Target	2007-2008 2-yr Target
D. Maintain Airport Facilities in Good Condition	1. % of customers rating Airport facilities as good or excellent, based upon availability, condition and cleanliness	90%	87%	N/A*	87%	87%
	2. % of business passengers rating Airport services as good or excellent, based upon service availability, facility condition, and cleanliness	90%	85%	N/A*	85%	85%
	3. % of tenants rating Airport services as good or excellent, based upon facility condition, cleanliness, safety, efficiency, and responsiveness	90%	90%	90%	90%	90%

Changes to Performance Measures from 2005-2006 Adopted Budget: No

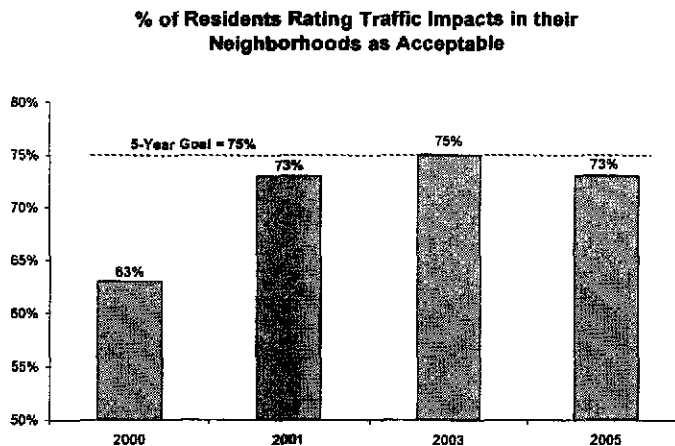
* As a result of the 2005-2006 Cost/Position Management Plan, the Annual Airport Customer Survey was not completed.

City Service Area Transportation and Aviation Services *PERFORMANCE BY OUTCOME*

Outcome 5: Provide a Transportation System that Enhances Community Livability

Neighborhood Traffic Impacts

Traffic calming efforts are being appreciated by citizens as evidenced in the 2005 Customer Survey in which



73% of citizens rated traffic impacts in their neighborhood as “acceptable” or better, down slightly from 75% in 2003 but the same as in 2001 and substantially higher than 63% in 2000. Further, the overall number of traffic calming studies requests has consistently gone down from 2,060 in 2002-2003 to 1,400 estimated for 2005-2006, although the timeliness of completing these requests may decline from previous years due to fiscal strategies that require maintaining or eliminating position vacancies.

Airport Neighborhood Service Group (ANSG)

The ANSG continues to work in the City’s neighborhoods as a partner with the SNI program to minimize Airport impacts and serve as an advocate for residents. The group facilitates interactive educational community meetings and assists in addressing neighborhood concerns to enhance communication and improve service.



Norman Y. Mineta Aviation Pavilion – Guadalupe River Park Grand Opening

Efforts in 2005-2006 included the Public Arts Tour, various community festivals and neighborhood meetings, and outreach to local businesses to encourage their participation in Airport business opportunities.

Community Programs—ACT

The Airport is committed to being a good neighbor in the community by implementing programs to minimize the impacts of operations on the community. By far, the largest program to serve the community is the Acoustical Treatment Program (ACT). The ACT program has successfully treated over 2,200 dwellings with approximately \$135 million in funds dedicated to the program. The 2007-2011 Airport CIP includes \$17.3 million in funding for the treatment of residences located in the 65 decibel Community Noise Equivalent Level (CNEL) noise contour and includes treatment of properties located in the City’s updated 2010 contour projection.

City Service Area

Transportation and Aviation Services

PERFORMANCE BY OUTCOME

Outcome 5: Provide a Transportation System that Enhances Community Livability ***(Cont'd.)***

Community Programs—Investment of Curfew Fines (Cont'd.)

As a part of SJC's goal of being a good neighbor in the community, the Airport is recommending that local community members be invited to submit recommendations for the use of the proceeds from the Airport Curfew Fund Program. A call for entries and an application has been posted on the Airport website and distributed to local neighborhood and community news publications. The postings include pertinent background and criteria, and an official entry form. Airport Senior Staff will review all entries for legal sufficiency and overall appropriateness and will submit three to six recommended programs to the Airport Commission for consideration. It is anticipated that the final recommended program(s) will be presented to City Council for approval in the fall of 2006. The Airport recommends that the funds, having been collected as a result of noise impacts upon surrounding San José communities, should be allocated to programs identified, in part, by Airport constituents within these communities. A separate reserve has been set up for these funds in the Airport Revenue Fund.

Noise Monitoring

The Airport continues to work cooperatively with both the community and the airlines to provide enhanced noise monitoring, curfew enforcement, reporting and community outreach. This past year the Airport has successfully negotiated supplemental agreements with various airlines to enhance curfew compliance. Information sessions to educate Airport partners, including station managers and pilots on the specifics of the curfew guidelines have been particularly successful and have led to modification of flight schedules to ensure compliance. Neighborhood workshops, the telephone management system, web reporting, and a Noise Response Customer Satisfaction Survey continue to serve as tools and work in conjunction with the Quarterly Airport Noise Monitoring meetings and the Airport Monthly Noise Report to help the Airport communicate and resolve various noise issues that impact the community.

The Airport Noise Monitoring System (ANOMS) is planned for an upgrade in the near future. This system provides data tracking and storage of aircraft flights within a 150 mile radius of the Airport allowing the correlation of flight tracks, noise, operation, and complaints to enforce the noise curfew program at SJC.

There has been a reduction in the percent of complaints responded to within one day as the result of reduced staffing levels.

Environmental Programs

The CSA continues efforts to reduce air emissions associated with Airport operations, and seeks to be a leader in the use of alternative fuel vehicles. The fleet of compressed natural gas (CNG) powered shuttle buses introduced in April 2003, along with an on-Airport public use CNG fueling station, provides the City with an alternative fuel source as well as reduced air emissions that will serve the community well into the future. The policy to encourage taxi and other ground transportation operators to invest in alternative fuel vehicles has increased on-Airport CNG fuel purchases in the third quarter of 2005-2006 by approximately 25%. The Airport Landside division has begun the process to replace the diesel rental car shuttle bus fleet with the addition of a CNG fleet. A grant has been obtained to offset \$50,000 of the cost per bus for a total of \$1 million in grant funds to be dedicated to the bus program. In addition, the Airport will also retrofit existing diesel buses to lower emission levels. Funding for the retrofit program has been obtained from a grant from the Bay Area Air Quality Management District.

Airport access improvements will be completed shortly with the construction of the Interstate 880/Coleman interchange. This project is a coordinated effort between the City, Caltrans, and the Valley Transportation Authority. Transportation projects not only improve Airport access, but also do so while improving air quality.

Environmental programs will continue to be developed and operated including: an in-house terminal recycling program, support for airline back office

Transportation and Aviation Services

PERFORMANCE BY OUTCOME

Outcome 5: Provide a Transportation System that Enhances Community Livability (Cont'd.)

Environmental Programs (Cont'd.)

recycling, ongoing energy efficiency infrastructure improvements, sustainable building design planning and development, and alternative transportation programs such as the EcoPass program.

The performance measure that reports on the tons of emissions reduced will be eliminated in the future, as

the program is well underway and investment in the program, including the addition of a CNG shuttle bus fleet to serve the rental car parking lot, will be accomplished in 2007. Policies, purchases and agreements will continue to be developed to encourage the use of alternative fuels, as well as enhance the use of the Airport CNG fueling station.

5 Year Strategic Goals	CSA Performance Measures	2006-2011 5-yr Goal	2005-2006 1-yr Target	2005-2006 Estimated	2006-2007 1-yr Target	2007-2008 2-yr Target
A. Provide Neighborhood-Friendly Traffic Operations	1. % of residents rating traffic impacts in their neighborhood as "acceptable" or better	75%	70%	73%	73%	73%
B. Reduce the incompatible land uses around the Airport to zero	1. Acreage of incompatible land uses	0	0	.69 Acres	0	0
C. Strengthen Communication with All Stakeholders Regarding the Noise Impact of Operating the Airport	1. % of noise complaints responded to within one day	100%	100%	93%	100%	100%
	2. % of customers rating the Airport response to noise issues as satisfactory or better	100%	100%	100%	100%	100%
D. Establish the Airport as a Responsive and Active Participant in the Local Community	1. % of community organization leaders who rate the Airport as an established and active participant within the community	90%	90%	39%	90%	90%

Changes to Performance Measures from 2005-2006 Adopted Operating Budget: Yes¹

¹ Changes to Performance Measures from 2005-2006 Adopted Budget:

x "Reduce Air Emissions" was deleted; it is no longer necessary to track since new CNG buses are already in service.

City Service Area

Transportation and Aviation Services

ADOPTED INVESTMENT CHANGES

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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Outcome: **PROVIDE SAFE AND SECURE TRANSPORTATION SYSTEMS**

Transportation Operations (Transportation)

• In-Source Vehicle Maintenance Activities		(2,279)	(2,279)
• Traffic Safety Education Program Marketing/Public Outreach Manager	1.00	125,666	0
• Transportation Incident Management Center	2.00	239,184	0

Traffic Safety Services (Police)

• Police Department Downtown Safety Police Officer Staffing	8.00	543,621	543,621
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<i>Subtotal</i>	11.00	906,192	541,342
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Outcome: **PROVIDE VIABLE TRANSPORTATION CHOICES THAT PROMOTE A STRONG ECONOMY**

Community Air Service (Airport)

• Advertising and Marketing Campaigns		(192,175)	0
• Air Service Development Manager		66,089	0

Parking Services (Transportation)

• In-Source Vehicle Maintenance Activities		(4,755)	(4,755)
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Transportation Operations (Transportation)

• Events Coordination Management	1.00	103,259	103,259
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Transportation Planning (Transportation)

• Transportation Planning and Project Delivery Supplies and Materials		(14,000)	(14,000)
• In-Source Vehicle Maintenance Activities		(621)	(621)

Strategic Support (Airport)

• Selected Airport Non-Personal/Equipment Funding Efficiencies		(168,988)	0
• Airport Audit Program	(0.50)	(55,207)	0

<i>Subtotal</i>	0.50	(266,398)	83,883
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Outcome: **TRAVELERS HAVE A POSITIVE, RELIABLE AND EFFICIENT EXPERIENCE**

Airport Customer Service (Airport)

• Tenant Employee Parking Shuttle Service Hours		(296,676)	0
• Airport Customer Service Outreach		(104,531)	0
• Airport Audit Program	(0.50)	(55,207)	0
• Airport Sign Shop Manager	1.00	159,749	0

Parking Services (Transportation)

• Expanded Street Sweeping Enforcement Program	1.00	60,777	60,777
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<i>Subtotal</i>	1.50	(235,888)	60,777
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City Service Area

Transportation and Aviation Services

ADOPTED INVESTMENT CHANGES

Adopted Core Service Changes (Cont'd.)	Positions	All Funds (\$)	General Fund (\$)
Outcome: PRESERVE AND IMPROVE TRANSPORTATION ASSETS AND FACILITIES			
<i>Airport Customer Service (Airport)</i>			
• Airport Terminal Area Improvement Management Restructuring	(2.00)	(279,262)	0
• Airport Maintenance Services	(0.87)	(89,553)	0
<i>Pavement Maintenance (Transportation)</i>			
• In-Source Vehicle Maintenance Activities		(54,246)	(54,246)
<i>Street Landscape Maintenance (Transportation)</i>			
• Alternate Work Program Reorganization	(1.00)	(84,149)	(84,152)
• In-Source Vehicle Maintenance Activities		(18,337)	(17,087)
• New Infrastructure Assets Operations and Maintenance Costs		95,854	95,854
• Street Tree Maintenance		24,661	(79,172)
<i>Traffic Maintenance (Transportation)</i>			
• Traffic Signal Replacement Project	2.00	(163,302)	(367,000)
• In-Source Vehicle Maintenance Activities		(15,290)	(15,290)
• New Infrastructure Assets Operations and Maintenance		76,564	76,564
<i>Strategic Support (Airport)</i>			
• Airport Maintenance Services	(0.13)	(13,383)	0
• Airport Technology Services Position Reallocation		57,093	0
<i>Subtotal</i>	(2.00)	(463,350)	(444,529)
Outcome: PROVIDE A TRANSPORTATION SYSTEM THAT ENHANCES COMMUNITY LIVABILITY			
<i>Airport Environmental Management (Airport)</i>			
• Airport Environmental Management	(2.00)	(227,280)	0
• Airport Noise System Maintenance		(151,145)	0
• Community Construction Outreach and Guadalupe Gardens Weed Abatement		(96,259)	0
<i>Strategic Support (Transportation)</i>			
• Rebudget: Office of Traffic Safety Grant		39,000	39,000
<i>Subtotal</i>	(2.00)	(435,684)	39,000

City Service Area

Transportation and Aviation Services

ADOPTED INVESTMENT CHANGES

Adopted Core Service Changes (Cont'd.)	Positions	All Funds (\$)	General Fund (\$)
<i>Other Changes</i>			
<i>City-Wide Expenses (City-Wide)</i>			
• Parking Citations		47,790	47,790
<i>General Fund Capital, Transfers, and Reserves (City-Wide)</i>			
• Earmarked Reserves: Street Maintenance Activities		(172,418)	(172,418)
• Capital Contributions: Rebudget of 2005-2006 Projects		203,000	203,000
• Capital Contributions: Bailey Avenue Resurfacing		211,000	211,000
• Capital Contributions: Transportation Infrastructure Maintenance Backlog		5,300,000	5,300,000
<i>Subtotal</i>	0.00	5,589,372	5,589,372
Total Core Service Changes	9.00	5,094,244	5,869,845

Service Delivery Framework

CITY SERVICE AREA
A cross-departmental collection of core services that form one of the City's 7 key "lines of business"

MISSION STATEMENT
Why the CSA exists

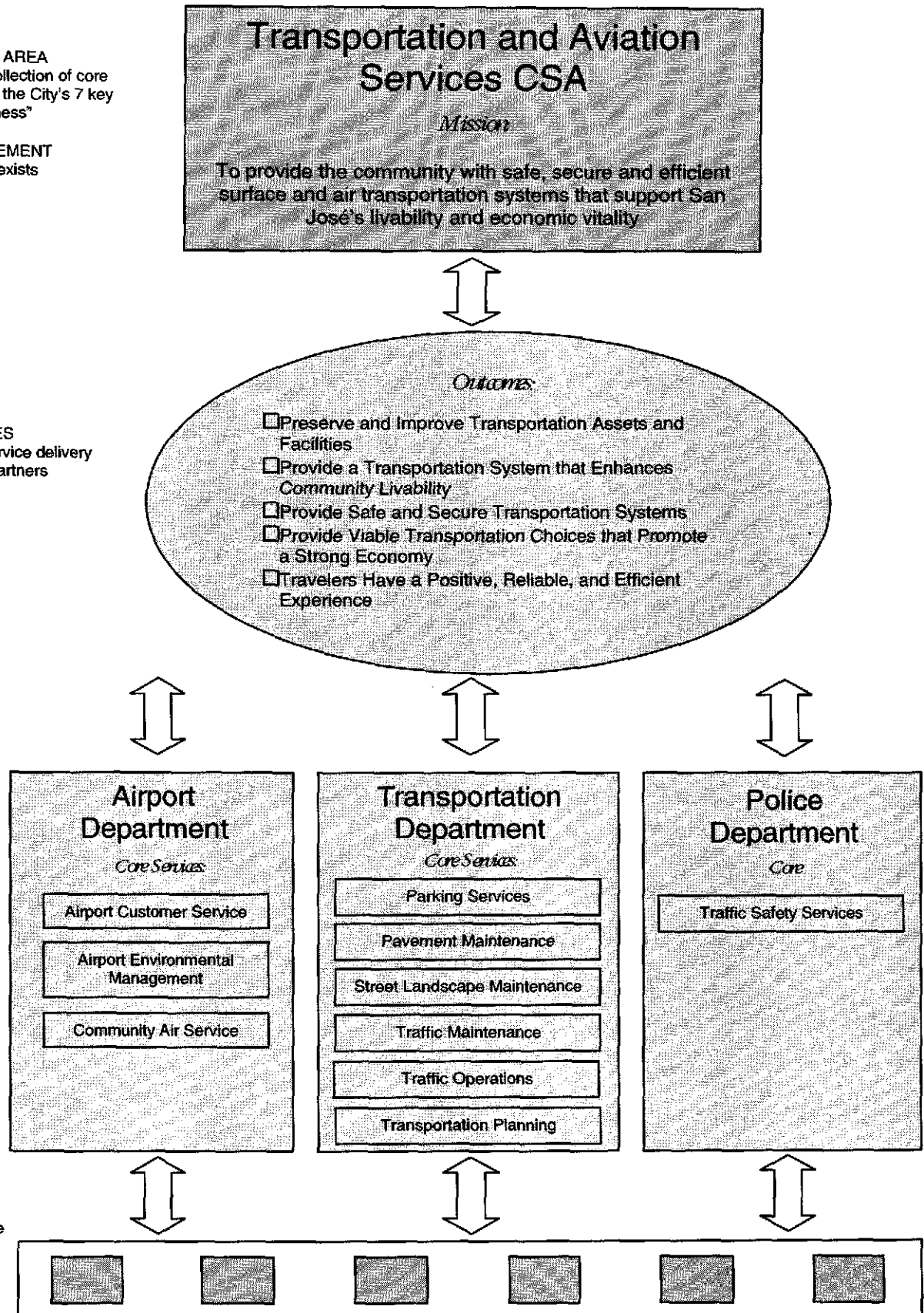
CSA OUTCOMES
The high level results of service delivery sought by the CSA partners

PRIMARY PARTNERS
Departments with Core Services that contribute to achievement of CSA Outcomes

CORE SERVICES
Primary deliverables of the organization

OPERATIONAL SERVICES
Elements of Core Services; the "front-line" of service delivery

STRATEGIC SUPPORT
Organization-wide guidance and support to enable direct service delivery



Transportation and Aviation Services CSA

Core Service: Airport Customer Service

Airport Department

Core Service Purpose

Ensure that Airport users have a good travel experience by having adequate access to the Airport; convenient and available parking; safe and user-friendly facilities; and a variety of quality choices of travel services while at the Airport.

Key Operational Services:

- ☐ **Airport Services**
- ☐ **Airport Facilities**

- ☐ **Airport Access**

Performance and Resource Overview

The Airport Customer Service Core Service contributes to the Transportation and Aviation Services CSA's Outcomes: *Provide Safe and Secure Transportation Systems, Travelers Have a Positive, Reliable and Efficient Experience, Preserve and Improve Transportation Assets and Facilities, and Provide Viable Transportation Choices that Promote a Strong Economy.* It is the largest of the Airport's core services, comprising 66.7% of the Airport's total 2006-2007 Adopted Operating Budget, or \$52.2 million. It is also the broadest and most complex core service in that it encompasses all aspects of the customer's Airport experience. Services such as parking availability, the flow of ground traffic, the appearance and cleanliness of Airport facilities, amenities, transportation services, airside operations and the movement of customers through the terminals, and security checkpoints are all captured in this core service.

The Adopted 2006-2007 Airport Customer Service Core Service budget represents an increase of \$4.3 million from the 2005-2006 Adopted Budget. Base budget adjustments of \$5.0 million were necessary to fund cost of living adjustments, retirement and benefits, an overhead rate increase, and the pass-through funding for the on-demand ground transportation program. The budget includes funding for the Rental Car and Parking Shuttle Bus programs, as well as the parking management fee. The reallocation of staff allowed for new Airport Customer Service Manager and Governmental and Legislative Affairs Manager positions. The new Customer Service Manager will be devoted to ensuring a positive customer experience and implementing a program to minimize the impact of construction activity on Airport operations and travelers. The Governmental and Legislative Affairs Manager will focus on the identification and development of grant opportunities and review of relevant legislation impacting the Airport and the aviation industry. Three capital-funded positions were moved to Strategic Support in recognition of ongoing support and oversight for the Terminal Area Improvement Program. Two Business Development positions have been reallocated to support the Airport Neighborhood Services Group (ANSG) and community air service to provide additional outreach to airlines and local businesses. A Marketing and Public Outreach Representative has been transferred to the Environmental Management Core Service to fill behind a vacancy in the ANSG. Additionally, a Marketing and Public Outreach Manager has been reallocated to enhance staffing resources in the Community Air Service programs.

Transportation and Aviation Services CSA

Core Service: Airport Customer Service *Airport Department*

Performance and Resource Overview (Cont'd.)

Although Customer Service programs are critical to our continued success, budget reductions have become necessary. The Adopted Budget reflects net reductions in this core service of \$665,480, including the elimination of two capital-funded vacant Senior Engineer positions. Capital project savings will fund temporary staff to provide management support to the Terminal Area Improvement Program. Reductions to non-peak tenant employee shuttle bus service hours, supplies, contractual services, and other non-personal/equipment allocations to meet budget targets, and the reduction of a vacant maintenance position and an audit staff position in this core service have also been included as part of this Adopted Budget. The impacts from these position reductions are currently being realized since they have been vacant for some time. In addition, one Sign Shop Manager position has been added to support a new and enhanced Airport signage program.

Performance at the Airport has been enhanced by the introduction of a new "Cell Phone Waiting Area" this past summer which is free of charge for users. The area consists of 49 parking spaces and allows meeters and greeters to wait with their vehicles in a single location, instead of circling the terminal area. The waiting area helps reduce roadway congestion, as well as air pollution.

An innovative traveler registry program called Clear™ will be implemented this year, pending approval by the Transportation Security Administration. This program enhances security with background verifications and allows passengers enrolled in the program to quickly proceed through security checkpoints. In a statistical analysis prepared by Verified Identity Pass—the company which will design and manage this program at the Airport—processing time through security while using the service takes about 14 seconds. It is anticipated that this new service would save a traveler as much as 29 minutes during the Airport's busiest times and would enhance security as well. Mineta San José International Airport was the second airport nation-wide to adopt this system.

As the result of the new Terminal Area Improvement Program currently underway, several technology enhancements are planned. The Airport Technology Services (ATS) Section will implement several new systems to enhance the traveling public's ability to navigate through the Airport, provide customer service features for the airlines, and enhance the efficiency of Airport operations. For travelers, there will be dynamic wayfinding displays that include flight, gate, and baggage information. There will also be common-use self-service kiosks to speed check-in for flights and visual paging for the hearing impaired. New technology will lead to better utilization of terminal resources, a more streamlined process for managing paging requests, and shared use of ticket counters and gates. All of these systems will be supported by a shared cabling and network system that will enable the Airport to make the best use of existing capacity.

New technology enhancements, as well as the existing systems, represent a significant increase in the customer service responsibility of the Airport. By administering ticketing systems and their supporting physical networks, the Airport has expanded its customer service base to include tenant airlines. At the same time, control of flight information displays (FIDs) and dynamic signage directly impact passengers and meeter-greeters at the Airport. Gate management and the maintenance of other new resource software will be mission critical. In February 2006, City Council

Transportation and Aviation Services CSA

Core Service: Airport Customer Service *Airport Department*

Performance and Resource Overview (Cont'd.)

approved a contract award of \$6.5 million in capital funds to procure and implement these new technology enhancements.

Fiscal constraints led to the elimination of the 2005-2006 Customer Survey, which annually seeks input on various service elements from a large number of Airport customers, tenants, and industry members. Instead, the Airport has depended on information from smaller in-house quarterly surveys and increased inspection processes to guide improvements and service adjustments. As shown below, the 2005-2006 performance estimate for "% of passenger amenities within 10% of off-Airport prices" demonstrated that the Airport exceeded the target by monitoring and surveying prices and implementing price reductions. Also, in 2005-2006, performance of 98% for the accountability of active Security Identification Display Area (SIDA) badges was slightly below the 100% target. Of the 3,273 badges issued, 2.29%, or 75 badges were inactivated as the result of being deemed lost, stolen or suspended. The various goals related to preserving and enhancing the Airport's current level of customer service are challenging given anticipated construction activity associated with the Terminal Area Improvement Program, however customer service will continue to be a priority for staff and Airport resources. For example, the goal that measures the percentage of customers rating Airport amenities as good or excellent based upon availability, quality, and cost in 2005-2006 had not been lowered. Similarly, the performance measure related to travel time from the Airport entrance to the airline terminal was set to remain at 2004-2005 historic levels, however performance may decrease with future roadwork or construction impacts.







As previously mentioned, the new Customer Service Manager and Sign Shop Manager will focus attention on improved customer experiences and maintaining Airport service levels even in the face of aging infrastructure and construction activity. Where funding reductions have been required to balance the budget, the Airport has worked to minimize service impacts. Position reductions, for example, have been restricted to positions already vacant, while non-personal/equipment service decreases have been limited to off-peak activity periods, and to programs that do not directly impact customer service levels.

Transportation and Aviation Services CSA

Core Service: Airport Customer Service

Airport Department

Performance and Resource Overview (Cont'd.)

Airport Customer Service Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of time public parking is available	100%	100%	100%	100%
 % of customers rating their travel time from Airport entrances to the airline terminal as good or excellent	66%	60%	N/A*	66%
 % of passenger amenities within 10% of off-Airport prices	89%	90%	91%	92%
 % of customers rating the Airport's amenities as good or excellent based upon availability, quality and cost	63%	65%	N/A*	65%
 % of customers rating the Airport's facilities as good or excellent, based upon availability, condition, and cleanliness	85%	87%	N/A*	87%
 % of accountability on active security clearance badges (SIDA)	97%	100%	98%	100%

Changes to Performance Measures from 2005-2006 Adopted Budget: No

- * As a result of the 2005-2006 Airport Cost/Position Management Plan, the annual Airport Customer Survey was not completed and this performance measure data is not available for 2005-2006. It is important to note that although some improvements have been made to operations and services, the terminal complex has not changed in ways that would significantly impact service ratings.

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Average number of hours per month parking is available	720	720	720	720
Average travel time from Airport entrances to the airline terminal	<15 min	<15 min	N/A*	<15 min
Total number of annual Airport passengers	10.7M	11.5M	10.8M	11.0M
Total number of annual operations	195,965	200,260	193,569	197,576

Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No

- * As a result of the 2005-2006 Airport Cost/Position Management Plan, the annual Airport Customer Survey was not completed and this performance measure data is not available for 2005-2006. It is important to note that although some improvements have been made to operations and services, the terminal complex has not changed in ways that would significantly impact service ratings.

Transportation and Aviation Services CSA

Core Service: Airport Customer Service *Airport Department*

Performance and Resource Overview (Cont'd.)

Airport Customer Service Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 20,787,893	\$ 21,234,696	\$ 22,593,712	\$ 22,318,474	5.1%
Non-Personal/Equipment	26,993,050	26,719,632	30,310,809	29,920,567	12.0%
Total	\$ 47,780,943	\$ 47,954,328	\$ 52,904,521	\$ 52,239,041	8.9%
Authorized Positions	274.29	264.70	259.25	256.88	(3.0%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)
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TRAVELERS HAVE A POSITIVE, RELIABLE AND EFFICIENT EXPERIENCE

1. Tenant Employee Parking Shuttle Service Hours (296,676)

This action reduces contractual services for parking shuttle service hours from a base level of approximately 80,000 hours per year to approximately 76,000 hours per year. Specifically, this reduction impacts non-peak hour service dedicated to tenant employees, which shuttles them between the Employee Parking Facility and the Airport. (Ongoing savings: \$296,676)

Performance Results:

Customer Satisfaction, Cycle Time Implementation results in an increase in employee parking shuttle headways from 13 minutes to 26 minutes during non-peak hours. This impact is partially mitigated by the continued availability of passenger shuttle buses that provide service to both the Airport's Long Term Parking Lot (adjacent to the employee parking lot), as well as the availability of VTA's San José Flyer.

Transportation and Aviation Services CSA

Core Service: Airport Customer Service *Airport Department*

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)
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TRAVELERS HAVE A POSITIVE, RELIABLE AND EFFICIENT EXPERIENCE (CONT'D.)

2. Airport Customer Service Outreach (104,531)

This action reduces non-personal/equipment funds budgeted to support design and production of informational materials that inform passengers of major operational changes during the current construction schedule at the Airport. These funds are not needed in 2006-2007. Funding for supplementary passenger line control services during peak holiday periods was also been reduced. Due to reduced passenger levels, savings have been realized for the past three years. A one-time reduction to contractual signage maintenance is also included. (Ongoing savings: \$24,100)

Performance Results:

Customer Satisfaction No change to service levels will result since this funding has remained largely unspent for several fiscal years as part of the Airport's ongoing cost management efforts.

3. Airport Audit Program (0.50) (55,207)

This action eliminates 0.5 vacant Accountant II position. This position served as a member of the Airport Auditing group (3 staff) and was responsible for monitoring and auditing the Airport parking program. Specifically, the position audits "exception tickets" in the Airport parking system. Exception tickets, for example, are generated when the Airport's long-term parking lot is at capacity and short-term parking is offered to passengers at long-term rates. A corresponding action in Strategic Support eliminates the remainder of this position. (Ongoing savings: \$55,207)

Performance Results:

Customer Satisfaction No significant impact is anticipated since lower parking activity has reduced the number of parking exceptions generated. Also, the number of specialized parking audits performed by an outside company has increased. Should Airport parking activity increase in the future, it may become necessary to add back this position.

4. Airport Sign Shop Manager 1.00 159,749

This action adds a Supervisor, Trades dedicated to Airport signage. Specifically, the Supervisor, Trades (Sign Shop Manager) will be responsible for managing all sign production and installation, and for developing signage solutions based on Airport guidelines. This position will also supervises staff needed to create a fully functioning sign shop. In order to offset a portion of the cost of this position, a corresponding reduction was approved in the Airport Environmental Management Core Service to eliminate a vacant Environmental Services Specialist position. (Ongoing costs: \$159,749)

Performance Results:

Customer Satisfaction The Sign Shop Manager will ensure that existing and proposed Airport terminal and roadway signage is consistent, clear, and easy to read. It is anticipated that signage will become increasingly important as the Airport implements its North Concourse Building project and Terminal Area Improvement Program. This position is necessary to maintain current service levels as construction activity begins to impact passengers.

Transportation and Aviation Services CSA

Core Service: Airport Customer Service *Airport Department*

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)
PRESERVE AND IMPROVE TRANSPORTATION ASSETS AND FACILITIES		
5. Airport Terminal Area Improvement Management Restructuring	(2.00)	(279,262)
<p>This action eliminates two vacant capital-funded Senior Engineer positions. Savings from these positions will support two temporary positions that manage and coordinate various aspects of the Airport's Terminal Area Improvement Program. Specifically, there is a Project Controls Manager position that provides ongoing management of project schedule, budget, and construction cost auditing and a Terminal Area Program Manager who is responsible for overall implementation of the program. (Ongoing savings: \$279,262)</p> <p>Performance Results: Quality The size and complexity of the Terminal Area Improvement Program requires a restructuring of the Airport's construction management team. As a result of these staff adjustments, Airport staff resources have been better matched to implement the Program under the "design-build" approach approved by Council.</p>		
6. Airport Maintenance Services	(0.87)	(89,553)
<p>This action eliminates a vacant Facility Repair Worker (0.87 in this core service), a position that was responsible for skilled maintenance work in the Airport terminals, airfield, and parking/roadway areas. Specific duties of this position included the maintenance and repair of equipment such as automatic doors, hold room seating, plumbing and security card readers. This position also performed complex irrigation and landscaping work, and makes repairs to Airport fencing and parking control booths. The elimination of this position will decrease the number of Airport workers in this classification to 12 positions. A corresponding proposal in Strategic Support eliminates the remainder of this position. (Ongoing savings: \$89,553)</p> <p>Performance Results: Customer Satisfaction The elimination of the Facility Repair Worker position may impact the ability of Airport Facilities management to adequately staff for maintenance services, given current staffing levels. However, the position has been vacant since December 2005, and careful staffing management has resulted in no serious reductions in service level and none are anticipated in 2006-2007.</p>		
2006-2007 Adopted Core Service Changes Total	(2.37)	(665,480)

Transportation and Aviation Services CSA

Core Service: Airport Environmental Management

Airport Department

Core Service Purpose

Manage the environmental impact of the Airport on the community to ensure that it is a "good neighbor" as it meets the air transportation needs of the region.

Key Operational Services:

- ☐ Airport Land and Water Quality
- ☐ Airport Noise Management
- ☐ Airport Air Quality Management

Performance and Resource Overview

The management of environmental impacts at Mineta San José International Airport is an essential component of the Airport's air transportation mission, and calls on the department to cooperate with neighborhoods and residents to minimize any adverse influences on the environment from Airport operations. Among the programs and services associated with this core service are a clean air program, noise monitoring and mitigation programs, as well as site restoration and future beneficial development. This core service is a major focus of the Transportation and Aviation Services CSA outcome *Provide a Transportation System that Enhances Community Livability*.

Environmental management is a basic business requirement of the aviation industry. The Airport is particularly proud of its partnership with major federal, State and local regulatory agencies that have oversight in environmental management programs. The Airport works with these agencies to promote and maintain the overall environmental quality of the Airport in matters related to air emission reductions, protection of the Guadalupe River and sensitive species, as well as the restoration of Airport properties for future beneficial use. The Acoustical Treatment Program (ACT) partners with other City agencies, such as the Strong Neighborhoods Initiative and the Department of Housing to perform community outreach and provide housing rehabilitation opportunities for residences.

The 2006-2007 Adopted Environmental Management Core Service Budget totals \$3.0 million and represents an increase of \$231,000 from the prior year, or 8.4%. The increase reflects cost of living adjustments for salaries, benefits and retirement, as well as an adjustment for the overhead rate increase. Included in this amount are Base Budget adjustments that reflect the reallocation of staff, including an Environmental Services Specialist, an Associate Engineering Technician, a Sr. Engineering Technician and a Marketing/Public Outreach Representative into this core service to better align resources with work function. The Marketing/Public Outreach Representative position was transferred from capital funds to accommodate a recent vacancy in the Airport Neighborhood Services Group (ANSO). An Analyst in the Acoustical Treatment (ACT) Program has been reassigned to Strategic Support to support the Airport Technology Services section.

Transportation and Aviation Services CSA

Core Service: Airport Environmental Management *Airport Department*

Performance and Resource Overview (Cont'd.)

Three reductions totaling \$474,684 have been approved in this core service. This reduction includes the elimination of two vacant positions: an Environmental Services Specialist and a Senior Engineering Technician. The Environmental Services Specialist position remained vacant since it was added in 2001. The resulting savings from this reduction was used to offset the addition of a Sign Shop Manager in the Customer Service Core Service. The reduction of a Senior Engineering Technician, vacant since August 2005, is offset by an existing Associate Engineering Technician who is absorbing the functions previously assigned to the Senior Engineering Technician. Non-personal/equipment service reductions consist of a one-time decrease to noise equipment maintenance, a reduction to design/production of informational campaigns, and a slight reduction to recognize savings in property maintenance in the Guadalupe Gardens area of the Airport approach zone.

Since its inception, the ACT Program has treated approximately 2,200 dwelling units and four schools within its 65-decibel eligibility area. Currently, approximately 162 dwelling units are under construction and an additional 224 units have been identified as historically significant as approved by the State Historic Preservation Office. The Airport received an additional \$6 million in grant funding to treat these historically protected homes in the Washington and Guadalupe neighborhoods.

As for air emission control, the Airport's compressed natural gas (CNG) fueling station has seen increased usage, as a result of the new ground transportation management program implemented in September 2005. One provision of that program provides an incentive to taxis fueled by alternative fuels. As a result, there has been an increase of approximately one third in the number of CNG taxis. The Airport has begun the process of replacing its existing diesel buses used for rental car customers with CNG fueled vehicles.

In October 2003, the City revised the Airport's curfew policy and incorporated a provision that imposed fines for curfew violations. As a part of the Airport's goal of being a good neighbor in the community, the Airport asked that local community members submit recommendations for use of the Airport Curfew Fund Program fines. Airport Senior Staff reviewed all entries for legal sufficiency and overall appropriateness and submitted three to six recommended programs to the Airport Commission for its consideration this fall. The final recommended program(s) are planned to be brought forward to San José City Council for their approval in late fall. In the meantime, a reserve has been set aside in the Airport Revenue Fund for the curfew fine program.







A Performance Measure "% of Compressed Natural Gas (CNG) dispensed to non-Airport customers" was added as a result of the Mayor's June 2005 Budget Message. This performance measure enables the Airport to set marketing and programmatic targets and track against target utilization levels of the Airport CNG station by non-Airport vehicles. In addition, a new Activity and Workload Highlight "Total amount of CNG dispensed" was added, including a break down of CNG dispensed for Airport uses and non-Airport customers. The higher than estimated amount of CNG dispensed in 2005-2006 represents the increased usage of CNG fueling by taxis.

Transportation and Aviation Services CSA

Core Service: Airport Environmental Management Airport Department

Performance and Resource Overview (Cont'd.)

Staff turnover has impacted the performance measure “% of community complaints on noise issues responded to within one day” (with a 2005-2006 Estimate of 93%) since 50% of the staff assigned to this area have gone to other airports to lead noise and environmental programs. However, the realignment of staffing resources in 2006-2007 will enable the department to continue to strive to meet a goal of 100%.

Airport Environmental Management Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of homes treated in the projected 2010 contour	22%	19%	44%	60%
 % reduction in acreage of incompatible land use due to noise issues	57%	100%	72%	100%
 % of community complaints on noise issues responded to within one day	99%	100%	93%	100%
 % of customers rating the Airport response to noise issues as satisfactory or better	99%	100%	100%	100%
 % of residents rating the Airport as a good environmental neighbor	85%	90%	N/A*	90%
 % of Compressed Natural Gas (CNG) dispensed to non-Airport customers	12%	25%	26%	35%

Changes to Performance Measures from 2005-2006 Adopted Budget: No

- * As a result of the 2005-2006 Airport Cost/Position Management Plan, the annual Airport Customer Survey was not completed and this performance measure data is not available for 2005-2006. It is important to note that, although some improvements have been made to operations and services, the terminal complex has not changed in ways that would significantly impact service ratings.

Transportation and Aviation Services CSA

Core Service: Airport Environmental Management Airport Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Acres of incompatible land use due to noise issues	1.34 Acres	0 Acres	0.69 Acres	0 Acres
Number of environmental noise complaints	1,083	1,100	1,270	1,100
Cost of Airport environmental programs per passenger	\$0.29	\$0.30	\$0.24	\$0.27
Number of dwellings in noise impacted areas*	10	0	7	0
Number of dwellings acoustically treated annually based on the projected 2010 contour	173	224	224	145
Number of homes remaining to be treated based on projected year 2010 contour	612	381	388	243
Compliant operations as a percentage of total Airport operations	99.99%	99.99%	99.99%	99.99%
Total number of annual operations	195,965	200,260	193,569	197,576
Total number of non-compliant curfew intrusions	25	20	65	20
Total amount of CNG dispensed (GGE)**	328,750	400,000	406,861	400,000
- Dispensed for Airport uses (GGE)**	289,836	300,000	300,480	260,000
- Dispensed to non-Airport customers (GGE)**	38,913	100,000	106,381	140,000

Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No

* This highlight represents the completion of those dwellings identified for noise abatement. The new projected 2010 noise contour targets and measures are included in separate workload measures. Figures previously presented represented the number of dwellings identified in the Projected 2006 Measured Noise Contour Map prepared in 2001.

** GGE or Gallons of Gas Equivalent is the unit of measure for CNG usage.

Airport Environmental Management Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 2,084,231	\$ 1,838,039	\$ 2,331,381	\$ 2,139,130	16.4%
Non-Personal/Equipment	611,498	918,821	1,131,509	849,076	(7.6%)
Total	\$ 2,695,729	\$ 2,756,860	\$ 3,462,890	\$ 2,988,206	8.4%
Authorized Positions	20.00	18.95	22.00	20.00	5.5%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Transportation and Aviation Services CSA

Core Service: Airport Environmental Management *Airport Department*

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)
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PROVIDE A TRANSPORTATION SYSTEM THAT ENHANCES COMMUNITY LIVABILITY

1. Airport Environmental Management	(2.00)	(227,280)
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This action eliminates a vacant Environmental Services Specialist and a Senior Engineering Technician position in the Airport's Environmental Section, leaving a total of three staff to balance current workload demands. Savings from the Environmental Services Specialist will be utilized to offset costs associated with the addition of a Sign Shop Manager, which is included in the Customer Service Core Service. (Ongoing savings: \$227,280)

Performance Results:

Customer Satisfaction Staffing levels will remain at the program's existing levels in that positions have remained unfilled or vacant and were preceded by long-term absences. An Associate Engineering Technician transferred in from the Acoustical Treatment (ACT) Program now performs services previously performed by the Sr. Engineering Technician. The impact of transferring the position is mitigated by the fact that much of the ACT Program's work providing noise insulation to eligible residents has been consolidated and is being performed by other staff. The Environmental Services Specialist position duties have been allocated to other staff or have been supplemented by using consultant services. No new service impacts are anticipated.

2. Airport Noise System Maintenance	(151,145)
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The one-time reduction of maintenance associated with the Airport's noise monitoring equipment and flight tracking system was approved. The purchase of a new system in 2006-2007 and a first-year warranty for maintenance allows for this reduction of non-personal/equipment maintenance funds. (Ongoing savings: \$0)

Performance Results:

Customer Satisfaction No change to service levels results since any maintenance needs that do arise will be covered under warranty.

Transportation and Aviation Services CSA

Core Service: Airport Environmental Management *Airport Department*

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)
PROVIDE A TRANSPORTATION SYSTEM THAT ENHANCES COMMUNITY LIVABILITY (CONT'D.)		
3. Community Construction Outreach and Guadalupe Gardens Weed Abatement		(96,259)
<p>This action decreases general non-personal/equipment funding in the Airport Environmental Management Core Service. The specific reductions include \$15,000 for weed abatement and general maintenance services at the Guadalupe Gardens area in the Airport approach zone, \$77,259 in funds set aside to provide informational campaigns to the community on a one-time basis, and \$4,000 general printing and advertising funding in the Planning and Development division. (Ongoing savings: \$15,000).</p> <p>Performance Results: Customer Satisfaction This action decreases funding for the design/production of informational materials and outreach campaigns, and will limit the Airport's ability and flexibility to inform the public of major operational changes due to construction activity. However, this reduction is mitigated by the addition of the new Customer Service Manager added in 2005-2006, whose focus will be on outreach and response to customer issues. The reduction of maintenance funds to Guadalupe Gardens represents a decrease of 12% to overall Airport funds allocated to this area. This may limit the Airport's ability to respond to unforeseen circumstances, however, no measurable impacts to services are anticipated.</p>		
2006-2007 Adopted Core Service Changes Total	(2.00)	(474,684)

Transportation and Aviation Services CSA

Core Service: Community Air Service

Airport Department

Core Service Purpose

Provide air services necessary to meet identified business, leisure and economic development needs of the region.

Key Operational Services:

☐ **Air Service Needs**

☐ **Airport Facility and Infrastructure Planning**

Performance and Resource Overview

The Community Air Service Core Service assists in achieving two of the Transportation and Aviation Services CSA's stated outcomes: *Provide Viable Transportation Choices that Promote a Strong Economy* and *Preserve and Improve Transportation Assets and Facilities*. The Airport seeks to achieve these outcomes by providing necessary facilities and infrastructure and the level of air service its passengers expect, including a diverse carrier, destination, and frequency mix. The Airport is also committed to having the air cargo services necessary to tie the Silicon Valley region to key business markets, both domestic and worldwide.

The 2006-2007 Adopted Community Air Service Core Service budget is \$1.9 million and represents a 9.5% increase from the prior year. Base Budget adjustments in this core service total \$295,328 and, as with the other Airport core services, reflect cost of living adjustments for salaries, benefits and retirement, as well as an adjustment for an overhead rate increase. In addition, one Marketing/Public Outreach Manager position was reallocated from the Airport Customer Service Core Service into this core service to provide additional outreach to airlines and local businesses with the goal of identifying opportunities for additional air service.

The Adopted Budget includes a one-time reduction to non-personal/equipment funding associated with new air service marketing and advertising, and the addition of an Air Service Division Manager position. The addition is offset by the elimination of an existing Analyst position. The new Air Service Division Manager will work directly with the airlines to develop air service opportunities.

Mineta San José International Airport (SJC) will continue to develop infrastructure necessary to meet the air service needs of the region in 2006-2007. In November 2005, the City Council, with the support of existing airlines, approved a revision to Mineta San José International Airport's Capital Improvement Program that funds \$1.2 billion in construction improvements over the next five years. A significant part of this work consists of interrelated building and roadway improvements in the terminal zone, including terminal building, roadway, and surface parking improvements; and implementation of temporary terminal facilities to allow for accelerated construction. The new terminal space will house federally mandated security and baggage screening

Transportation and Aviation Services CSA

Core Service: Community Air Service *Airport Department*

Performance and Resource Overview (Cont'd.)

equipment, as well as improve the overall customer experience by providing additional retail shops and concessions and other amenities desired by the public.

Airport activity levels remain below those experienced prior to September 2001 due to the sustained financial challenges of the airline industry and the prolonged economic downturn in Silicon Valley. March 2006 flight schedules at the Airport reflect approximately 78% of the scheduled flights and 68% of the available seats as compared to the same period in 2001. Several important destinations lost since 2001 have not been reinstated, including international and domestic long-haul destinations such as Paris, Taipei, Toronto, Detroit, Maui, Raleigh-Durham, St. Louis, Tucson, Ontario, Miami, and Cincinnati.

The Airport has seen some encouraging signs that airlines recognize service opportunities at SJC. Mexicana began twice weekly, non-stop service to Mexico City in September 2005. The Airport also added a new carrier in September, Hawaiian Airlines, that began daily, non-stop service to Honolulu. Despite these positive developments, the Airport still faces several challenges including the competitiveness of the other Bay Area airports and the financial struggles of U.S. airlines, which in recent months, has been caused by the large increase in fuel costs.

San José remains an attractive market for air carriers, and staff will continue to work with its CSA and business partners as well as trade organizations - including the Office of Economic Development, the Convention and Visitor's Bureau, and the San José Silicon Valley Chamber of Commerce - to retain current flights, regain flights lost over the last several years, and obtain flights important to the Silicon Valley economy, particularly in international service. The Airport has reallocated existing staff and non-personal/equipment resources in order to provide an increased emphasis on air service development. Current projects include an outreach campaign that is focused on Silicon Valley businesses. The goal of the program is to build relationships with corporate travel managers and to obtain data that can be used to present air service opportunities to airlines.





The Adopted Budget includes the addition of an Air Service Development Manager. This new hire will come to the City with hands-on route planning experience and will work directly with the airlines, developing relationships to identify and develop air service opportunities. The addition of this position is consistent with the City's current focus on economic development, and with Council's direction to explore the possibility of performing more air service development data and research projects with in-house resources. The position will also assist the Airport in achieving the City's goal of securing six new international flights. In order to offset the costs of this position, the elimination of a vacant Analyst position within the Airport's Business Development Section has been approved.

Transportation and Aviation Services CSA

Core Service: Community Air Service Airport Department

Performance and Resource Overview (Cont'd.)

The Airport's cost per enplaned passenger (CPE) continues to be very competitive with the other Bay Area airports, providing a favorable climate for airlines to conduct business, which is evidenced by the continued expansion of service by low-fare carriers. The CPE at SJC has been preliminarily set at \$4.05 in 2006-2007, while the 2006 CPE figure at Oakland is \$5.27, and the 2006-2007 CPE target for San Francisco is \$14.87. The Airport is sensitive to the continuing difficulties faced by the airline industry, and will continue efforts to partner with airlines to maintain reasonable rates and charges. An important part of this process is ensuring that capital development is demand-driven, which means that the level of passenger activity is a major factor in determining the pace of planned development at the Airport.

Community Air Service Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 Air service market share	18%	20%	18%	18%
 Airline cost per enplaned passenger*	\$4.61	\$4.33	\$4.68	\$4.05
 % of customers rating the frequency of air service good or excellent	73%	75%	N/A**	75%
 % of customers able to reach desired destinations from the Airport	64%	70%	N/A**	70%

Changes to Performance Measures from 2005-2006 Adopted Budget: No

* Enplaned passengers are those passengers boarding an aircraft in scheduled service, including originating, stop-over or connecting service. The target CPE is based on current revenues and passenger expectations. An airline approved feasibility study target of \$5.30 is included in the CSA measure for 2006-2007.

** As a result of the 2005-2006 Airport Cost/Position Management Plan, the annual Airport Customer Survey was not completed and this performance measure data is not available for 2005-2006. It is important to note that although some improvements have been made to operations and services, the terminal complex has not changed in ways that would significantly impact service ratings.

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Total number of annual Airport passengers	10.7M	11.5M	10.8M	11.0M
Total number of annual operations	195,965	200,260	193,569	197,576
Total number of annual enplanements	5.35M	5.75M	5.40M	5.50M
Total airline cost	\$25.30M	\$24.91M	\$25.25M	\$22.27M
Total regional air service market	58.80M	60.70M	59.02M	60.77M

Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No

Transportation and Aviation Services CSA

Core Service: Community Air Service Airport Department

Performance and Resource Overview (Cont'd.)

Community Air Service Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 657,291	\$ 746,229	\$ 929,521	\$ 976,587	30.9%
Non-Personal/Equipment	955,839	1,030,492	1,142,528	969,376	(5.9%)
Total	\$ 1,613,130	\$ 1,776,721	\$ 2,072,049	\$ 1,945,963	9.5%
Authorized Positions	7.83	7.77	8.66	8.66	11.5%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)
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PROVIDE VIABLE TRANSPORTATION CHOICES THAT PROMOTE A STRONG ECONOMY

1. Advertising and Marketing Campaigns (192,175)

A one-time reduction in contractual services, supplies, and travel associated with the development of marketing and advertising of air service was approved. Specific activities impacted include air service advertising campaigns, the development of air service marketing materials, and background research. (Ongoing savings: \$0)

Performance Results:

Customer Satisfaction The reduction to marketing and advertising funds allocated for air service reduces the flexibility to develop specialized marketing campaigns and work with other economic partners to support new and existing air service. However, as new air service develops due to the addition of the Air Service Development Manager, those additional revenues will be reinvested in order to further enhance air service marketing and advertising.

Transportation and Aviation Services CSA

Core Service: Community Air Service
Airport Department

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)
PROVIDE VIABLE TRANSPORTATION CHOICES THAT PROMOTE A STRONG ECONOMY (CONT'D.)		
2. Air Service Development Manager		66,089
<p>The addition of a Division Manager position within the Airport's Business Development Division will provide overall management of air service development efforts. Bringing this service in-house will enable the Airport to reduce the amount of contractual services that has been budgeted specifically for this effort. In order to partially offset the cost of this position, the reallocation of a vacant Analyst position was approved. The Air Service Development Manager will have hands-on experience with route development and will perform outreach to airline route planners and executives, in order to identify and develop air service opportunities. (Ongoing costs: \$131,654)</p> <p>Performance Results: Customer Satisfaction This position will help the Airport implement City Council's direction to utilize more in-house resources for air service development. It will also increase the Airport's ability to build and maintain relationships with airlines and increase our ability to propose new air service and respond to service opportunities. Also, because the Analyst position approved for deletion has remained unfilled, no administrative service reductions are anticipated.</p>		
2006-2007 Adopted Core Service Changes Total	0.00	(126,086)

Transportation and Aviation Services CSA

Core Service: Parking Services *Transportation Department*

Core Service Purpose

Provide clean and convenient public parking by managing on-street and off-street parking, implementing effective policies and regulations, and ensuring understanding and compliance with policies and regulations.

Key Operational Services:

☐ **Manage Off-Street Parking**

☐ **Manage On-Street Parking**

Performance and Resource Overview

The City's Parking Services continues to focus on meeting the parking needs of businesses, downtown employees, visitors, and residents. The City's Parking Fund provides funding for operation of existing parking facilities and development of new parking facilities to meet current and future demands. Specific capital projects are detailed in the Parking section of the 2007-2011 Adopted Capital Improvement Program (CIP). The Parking Services Core Service contributes primarily to the Transportation and Aviation Services CSA Outcomes: *Provide Viable Transportation Choices that Promote a Strong Economy; Travelers Have a Positive, Reliable and Efficient Experience; and Provide a Transportation System that Enhances Community Livability.*

Off-Street Parking

A key measure for effective Parking Services is whether parking demand is being met to support visitors, merchants, employees, and residents living, working, and utilizing the services offered in Downtown. Recent surveys indicate that parking demand in all eight downtown parking zones continues to be met. Due to the slow recovery of the economy, the average peak occupancy at City parking facilities was estimated at 62% in 2005-2006, slightly higher than in 2004-2005. The occupancy level is highly dependent on the downtown economy, particularly the office space market, which has experienced an increase in vacancy rates from 3% in early 2001 to approximately 24% in 2006.

The total annual monthly parking customers served in 2005-2006 is projected to increase by 17% from the previous year, from 49,761 to an estimated 58,000. The increase is primarily due to the opening of City Hall in Downtown and accommodating the parking needs for City employees that had previously parked outside of Downtown. In 2005-2006, transient parking needs increased by 18%, from 1.44 million to an estimated 1.7 million transactions. This is a result of an increase in evening/late night activity due to the opening of new restaurants and nightclubs in Downtown, opening of City Hall, special events such as the Grand Prix, and continuing the City's program offering free parking on weekdays after 6:00 pm and all day on weekends and major holidays.

Transportation and Aviation Services CSA

Core Service: Parking Services *Transportation Department*

Performance and Resource Overview (Cont'd.)

Off-Street Parking (Cont'd.)

From a financial standpoint however, this increase in parking activity has not resulted in increased revenues for the General Purpose Parking Fund because of policy decisions to provide free parking. Unless the economy improves noticeably, the number of monthly and transient parking customers is expected to decrease in 2006-2007 due to the loss of several parking lots in the downtown core that are scheduled for mixed-use and housing development.

The installation of new parking revenue control equipment in the Convention Center, Market/San Pedro, 3rd Street, and the City Hall parking garages provides better revenue controls and accurate data on occupancy rates and revenues. Another parking project to enhance the public's parking experience is the Parking Guidance System (PGS). The PGS will help improve access to parking in the Downtown. The first phase of the PGS (completed in December 2005) installed electronic signs at city-owned garages, informing motorists of real-time parking space availability, and other relevant messages. The second phase is scheduled to be completed in summer 2007 and will include roadway signs that direct motorists to various parking facilities and indicate the number of available parking spaces in real-time. These projects allow the City to maximize the use of the existing parking supply.

As part of the San José Redevelopment Agency's (SJRA) Strategy 2000: Greater Downtown Strategy for Development, a Parking Management Plan (PMP) was developed in 2001 to address both short-term and long-term downtown parking needs. Due to significant changes in the economic environment over the last five years, and to reflect the shift from office to residential developments, this plan is currently being revised. The revised PMP will be presented to the City Council in fall 2006. Staff will continue to monitor the downtown economic indicators and parking supply/demand data that impact the Parking Management Plan recommendations, and provide annual updates to the parking triggers and priorities as approved by the City Council.

Existing parking programs such as the free evening/weekend/holiday parking, the retail/restaurant validation, hybrid vehicle, and the parking website (www.sjdowntownparking.com) remain very popular. The parking website receives approximately 600+ "hits" per day and there are over 1,000+ vehicles registered in the hybrid vehicle program. Overall, customer satisfaction in off-street parking facilities continues to be high, with 88% of the customers rating the services as good or better.

On-Street Parking

The Parking Compliance Unit continues to expand its support of street cleanliness, safety, quality-of-life, and neighborhood access issues by its continued focus on street sweeping, school access and safety, street maintenance, vehicle abatement, and the Residential Permit Parking programs. In 2004-2005, the Parking Compliance Unit began a pilot program that consolidated the vehicle abatement program from the Planning, Building and Code Enforcement Department to the

Transportation and Aviation Services CSA

Core Service: Parking Services *Transportation Department*

Performance and Resource Overview (Cont'd.)

On-Street Parking (Cont'd.)

Department of Transportation (DOT). As a result of the positive data collected during the pilot, the vehicle abatement program was permanently transferred to the DOT in the 2005-2006 Mid-Year Budget Review.

In 2005-2006, approximately 85 new parking meters were installed in the downtown core and the Residential Permit Parking program expanded with a new addition in the Sherman Oaks neighborhood and the expansion of three existing zones: Cahill Park, South University, and Horace Mann neighborhoods. In addition, parking compliance support of street sweeping was increased by the addition of approximately 40 new residential curb miles.

The vehicle compliance surveys conducted in the Downtown again indicate that approximately 96% of on-street parkers were in compliance with regulations. Downtown parking compliance is consistent with the compliance rate from previous years, and is due in part to the ready availability of parking spaces downtown and the optimized deployment of staff to provide better support for the on-street parking program.

During 2005-2006, it is expected that about 222,000 citations will be issued city-wide, compared to approximately 228,500 during 2004-2005. This reduction is due in part to changes in enforcement priorities in the Police Department and Airport that also issue parking citations city-wide. DOT's Parking Compliance Unit continues to meet its projection for citation issuance. In 2003-2004 and 2004-2005, the Parking Compliance Unit issued 193,735 and 196,008 citations respectively. Both year-end totals equated to 85% of the total city-wide issuance, as compared to this year's issuance which was estimated to be at 92%.

In response to the concerns from the City Council regarding excessive vehicle storage on city streets, DOT has taken significant steps towards discouraging such behavior. As recommended by DOT and the City Attorney's Office, the City Council has approved changes in the Municipal Code specifically defining "movement of vehicles" in an effort to reduce excessive and repeated vehicle storage on the street.

The 2006-2007 budget approved citation fine increases for storage of vehicles on the street, commercial vehicles parked in a residential neighborhood and vehicles parked in a bus zone. These revisions are consistent with the penalty amount in other local jurisdictions as outlined in the California Vehicle Code (CVC) Section 40203.5(a) which recommends that issuing agencies within the same areas standardize parking penalties to the extent possible and support a safer environment on City streets.

In response to the Mayor and the City Council directive to consider technology advances in the On-Street Parking program, DOT is exploring a pilot program to deploy multi-space parking meters at key on-street locations. The intent of the pilot is to introduce additional payment methods such as credit/debit cards and bills for metered parking in downtown. Also, the multi-space meters







Transportation and Aviation Services CSA

Core Service: Parking Services Transportation Department

Performance and Resource Overview (Cont'd.)

On-Street Parking (Cont'd.)

eliminate the need to have several meter poles per block for less obstructed walkways and an improved pedestrian experience. It is anticipated that the multi-space meters will increase efficiency by reducing the number of machines staff must service and higher customer satisfaction by installing a meter system that provides multiple payment options.

Parking Services Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 Number of downtown parking zones meeting parking demand	8 of 8	8 of 8	8 of 8	8 of 8
 % of on-street parkers in compliance with all regulations	96%	96%	96%	96%
 Parking Services Revenue to Cost Ratio	1.47	1.30	1.29	1.27
 % of parking service requests completed in 1 day (facility maintenance, enforcement meter repair) or in 14 days (citation appeal)	98%	97%	96%	97%
 % of abandoned vehicles in voluntary compliance by staff's second visit	69%	80%	70%	70%
 % of customers rating services good or better based upon satisfaction, appearance, comfort (4 or better on a 1-5 scale)	82%	90%	88%	90%

Changes to Performance Measures from 2005-2006 Adopted Budget: Yes¹

¹ Changes to Performance Measures from 2005-2006 Adopted Budget:

U "% of abandoned cars" was revised to "% of abandoned vehicles," as the program applies to all vehicles. Prior to 2006-2007, this performance measure appeared in the Economic and Neighborhood Development CSA under the Planning, Building and Code Enforcement Department in the Community Code Enforcement Core Service.

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Number of monthly parking customers served	49,761	47,500	58,000	54,500
Number of transient parking customers served	1,441,471	1,250,000	1,700,000	1,625,000
Number of parking meter service activities completed	1,953	2,000	2,000	2,000
Number of parking citations issued	228,521	234,000	222,000	222,000
Number of parking citations appealed/ adjudicated	10,272	10,000	10,000	10,000

Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No

Transportation and Aviation Services CSA

Core Service: Parking Services Transportation Department

Performance and Resource Overview (Cont'd.)

Parking Services Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 3,175,771	\$ 3,599,494	\$ 4,306,075	\$ 4,360,852	21.2%
Non-Personal/Equipment	4,877,196	6,884,253	7,426,189	7,427,434	7.9%
Total	\$ 8,052,967	\$ 10,483,747	\$ 11,732,264	\$ 11,788,286	12.4%
Authorized Positions	45.64	45.64	53.44	54.44	19.3%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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PROVIDE VIABLE TRANSPORTATION CHOICES THAT PROMOTE A STRONG ECONOMY

1. In-Source Vehicle Maintenance Activities (4,755) (4,755)

This action will bring more vehicle maintenance and repair services in-house, while producing savings to the City through a reduction to the contractual services budget. Contingent upon the filling of two Mechanic position vacancies, this reduction will result in a cost savings of \$272,500, of which \$220,725 is generated in the General Fund. As a result of using in-house Fleet Maintenance staff to troubleshoot and resolve mechanical problems, efficiencies should be gained as less fleet equipment will be transported to and from outside facilities; however, cycle times may rise during peak workload periods due to the reduction in the ability for Fleet Management to use contractual services for some major and complex repairs. The cost savings in the Transportation Department, Parking Services Core Service is \$4,755. (Ongoing savings: \$4,755)

Performance Results:

Quality A higher quality of work on repairs that are completed should be realized as it will be easier to monitor in-house staff repairs than with a vendor. **Cycle Times** Cycle times for routine repairs are anticipated to decrease as a result of bringing more of them in-house. Cycle times for major and complex repairs could increase, however, as the reduction in the ability to use contractual services during peak workload periods may cause some non-public safety related repairs to be deferred.

Transportation and Aviation Services CSA

Core Service: Parking Services *Transportation Department*

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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TRAVELERS HAVE A POSITIVE, RELIABLE, AND EFFICIENT EXPERIENCE

2. Expanded Street Sweeping Enforcement Program	1.00	60,777	60,777
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This action provides funding to add a Parking and Traffic Control Officer position in the Expanded Street Sweeping Enforcement program. This position will help support and enforce street sweeping activities due to the additional 40 curb miles of restricted residential street sweeping area being installed this year. The cost of this position along with the cost of an additional handheld citation device and citation processing fees will be offset by parking citation revenues. (Ongoing costs: \$58,160)

Performance Results:

Quality, Customer Satisfaction Improved compliance in street sweeping areas to ensure cleaner streets.

2006-2007 Adopted Core Service Changes Total	1.00	56,022	56,022
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Transportation and Aviation Services CSA

Core Service: Pavement Maintenance

Transportation Department

Core Service Purpose

To maintain and repair the pavement on the City's street network to allow for optimum street service life and the safe and efficient travel of the motoring public.

Key Operational Services:

- ☐ **Maintain Street Pavement**

Performance and Resource Overview

The Pavement Maintenance Core Service's long-term goal is to maintain and preserve street pavement surfaces, using both corrective and preventive maintenance techniques. This core service contributes primarily to the Transportation and Aviation Services CSA Outcome: *Preserve and Improve Transportation Assets and Facilities*, and its goals align with the CSA's strategic goal: Maintain Pavement Surfaces in Good Condition.

From 1997 to 2002, with a renewed focus on pavement maintenance and higher levels of available funding, the percentage of streets rated in acceptable or better condition rose from approximately 86% to just over 93%. Due to economic challenges and funding reductions over the last few years, it is estimated that 81% of the City's streets are now in acceptable or better condition. With the currently identified funding level, that figure is estimated to fall over the next five years to 73%. Additionally, a resurfacing backlog has developed due to the lack of adequate preventive maintenance activity.

Maintain Street Pavement

In 2005-2006, preventive maintenance seal treatments were applied to 79 miles of residential streets and 35 miles of major and minor arterial streets. These totals vary significantly from the 2005-2006 targets. With the commitment of two years of additional grant funding for street resurfacing starting in 2006-2007 (discussed later), previously programmed resources were redirected to instead augment preventive maintenance sealing efforts. Approximately 4 miles of streets will still be resurfaced in order to address critical situations, to support inter-agency projects, and to test the use of asphalt rubber paving products. The rest of the resurfacing miles previously programmed in 2005-2006 will be deferred to 2006-2007 to take advantage of the federal grant funding. In addition to the traditional preventive maintenance sealing methods, 40 miles of residential streets and 40 miles of arterial streets had received crack sealing in 2005-2006 as a preventive maintenance measure. Finally, approximately 9 miles of streets with significant ride-ability issues, such as large failed areas, potholes, and other safety concerns, are being addressed through localized spot rehabilitation.

In 2006-2007, preventative maintenance seal treatments will be applied to 50 miles of arterial streets. In addition, 40 miles of arterial streets and 40 miles of residential streets are programmed to receive

Transportation and Aviation Services CSA

Core Service: Pavement Maintenance

Transportation Department

Performance and Resource Overview (Cont'd.)

Maintain Street Pavement (Cont'd.)

extensive crack sealing. Response to customer complaints and other corrective maintenance requests, such as pothole repairs, will continue in order to keep streets in a safe, operable condition. However, increases in the number of complaints are expected due to the disparity between available resources and the increasing needs of pavement maintenance.

The City is continuously studying new technology to maximize limited funds and better preserve the existing pavement infrastructure. To add to the City's existing array of pavement preservation applications, staff will be utilizing several different pavement preservation techniques, such as more extensive crack sealing, use of fog seals and pavement rejuvenators, and applying thicker, double applications of seal coats. Additionally, an asphalt rubber based seal will be tested on approximately 6 miles of arterial streets, and another 4 miles with significant ride-ability issues will receive localized spot rehabilitation.

Approximately 28 miles of streets will be resurfaced in order to address critical situations and to support inter-agency projects. The bulk of this work (26 miles) will be completed by utilizing federal grant funding earmarked specifically for street resurfacing projects. These funds have been made available in response to the Metropolitan Transportation Commission's (MTC) 2003 survey of local streets and roads maintenance needs. The MTC's 2005 Regional Transportation Plan (T-2030) will direct a total of \$990 million in federal transportation funding over the next 25 years for the improvement and maintenance of federal aid-eligible roads throughout the nine-county Bay Area region. The City's share for the first two cycles of funding totaled \$9.3 million and will be programmed, along with the required 11.47% City funding match, in the five year CIP.

Because of the growing number of street miles in need of resurfacing, staff is focusing efforts on strategies to address the need. Through the utilization of various structural sealing methods, DOT will be able to address 22 miles of residential streets that are either currently in need of resurfacing or will be falling into that treatment category in the near future.

As approved by the City Council, funding of \$5.3 million was allocated in the General Fund in this budget to address the backlog of needed transportation infrastructure maintenance, and a significant portion of this funding (\$3 million) is programmed to be used to address pavement maintenance needs.

Long Term Funding Shortfall

Of all the Transportation-related assets, maintaining the street pavement network is the biggest challenge due to the sheer size of the network and escalating costs caused by deferred maintenance. The City's street network has 2,310 miles of paved roads valued at \$1.2 billion. \$34 million is needed annually to maintain the goal of 97% of City streets in acceptable or better condition. Looking at the City's current and forecasted funding situation, along with the City's historical





Transportation and Aviation Services CSA

Core Service: Pavement Maintenance Transportation Department

Performance and Resource Overview (Cont'd.)

Long Term Funding Shortfall (Cont'd.)

reliance on grants and other one-time and short-term funding sources to fund the pavement maintenance program, it is unlikely within the next several years that the City will be able to fully fund the program's annual funding needs. In 2006-2007, the approved funding totals \$19.9 million. Another \$3.4 million of grant funding is estimated to become available in 2006-2007 from the repayment of Traffic Congestion Relief Plan funds previously borrowed by the State. These funds are not yet programmed for spending at this time due to the tenuous nature of the funding source. Over the next five years, however, assuming all available one-time and short-term funds can be secured, fully funding the average annual funding level for transportation infrastructure maintenance would require approximately \$19 million; leaving an average annual shortfall of \$15 million. This historic lack of funds has resulted in a \$175 million backlog of streets in need of resurfacing or more significant repair, and the continued shortfall only adds to this figure.

Pavement Maintenance Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of pavement surfaces rated in "acceptable" or better condition (50 or greater on a 1-100 scale)	84%	81%	81%	79%
 Pavement Maintenance Cost to Budget Ratio	1.00	1.00	1.00	1.00
 % of corrective pavement repairs completed within two days (priority) and 30 days (non-priority)	81%	85%	78%	78%
 % of customers rating services "good" or better based upon thoroughness and courtesy (4 or greater on a 1-5 scale)	76%	80%	77%	77%

Changes to Performance Measures from 2005-2006 Adopted Budget: No

Transportation and Aviation Services CSA

Core Service: Pavement Maintenance Transportation Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Miles of paved roadway to maintain	2,300	2,310	2,310	2,310
Miles of residential streets receiving surface seal application	30	35	79*	22
Miles of residential streets prepared for surface seal	30	0**	42	22
Miles of arterial streets receiving surface seal application	50	32	45	50
Miles of street resurfacing completed	3	14	4*	28
Number of priority service requests (potholes) completed	2,347	1,700	2,000	2,000
Number of scheduled service requests (large pavement repairs) completed	725	750	750	750
Average sealing maintenance cost per mile of street (includes preparation work)	\$66,000	\$73,500	\$73,500	\$75,700

Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No

* With the commitment of two years of additional grant funding for street resurfacing starting in 2006-2007, previously programmed resources were redirected to augment preventive maintenance sealing efforts. Resurfacing miles previously programmed in 2005-2006 will be deferred to 2006-2007 to take advantage of federal grant funding.

** The residential sealing program was temporarily suspended. To stretch available dollars, staff targeted crack sealing on streets to help the condition from deteriorating.

Pavement Maintenance Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 4,587,496	\$ 4,522,315	\$ 5,086,551	\$ 5,086,551	12.5%
Non-Personal/Equipment	1,776,960	1,335,990	1,451,591	1,397,345	4.6%
Total	\$ 6,364,456	\$ 5,858,305	\$ 6,538,142	\$ 6,483,896	10.7%
Authorized Positions	63.47	54.47	57.47	57.47	5.5%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Transportation and Aviation Services CSA

Core Service: Pavement Maintenance *Transportation Department*

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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PRESERVE AND IMPROVE TRANSPORTATION ASSETS AND FACILITIES

1. In-Source Vehicle Maintenance Activities		(54,246)	(54,246)
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This action will bring more vehicle maintenance and repair services in-house, while producing savings to the City through a reduction to the contractual services budget. Contingent upon the filling of two Mechanic position vacancies, this reduction will result in a cost savings of \$272,500, of which \$220,725 is generated in the General Fund. As a result of using in-house Fleet Maintenance staff to troubleshoot and resolve mechanical problems, efficiencies should be gained as less fleet equipment will be transported to and from outside facilities; however, cycle times may rise during peak workload periods due to the reduction in the ability for Fleet Management to use contractual services for some major and complex repairs. The cost savings in the Transportation Department, Pavement Maintenance Core Service is \$54,246. (Ongoing savings: \$54,246)

Performance Results:

Quality A higher quality of work on repairs that are completed should be realized as it will be easier to monitor in-house staff repairs than with a vendor. **Cycle Times** Cycle times for routine repairs are anticipated to decrease as a result of bringing more of them in-house. Cycle times for major and complex repairs could increase, however, as the reduction in the ability to use contractual services during peak workload periods may cause some non-public safety related repairs to be deferred.

2006-2007 Adopted Core Service Changes Total		(54,246)	(54,246)
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Transportation and Aviation Services CSA

Core Service: Street Landscape Maintenance

Transportation Department

Core Service Purpose

To provide for the management and maintenance of street landscapes, street trees, and sidewalks in order to provide a safe and aesthetically pleasing streetscape.

Key Operational Services:

- | | |
|--|---|
| <input type="checkbox"/> Maintain Street Landscaping | <input type="checkbox"/> Manage Special Landscape Programs |
| <input type="checkbox"/> Manage Care of City Street Trees | <input type="checkbox"/> Inspect & Repair Sidewalks |
| <input type="checkbox"/> Maintain Undeveloped Rights-of-Way | |

Performance and Resource Overview

The purpose of the Street Landscape Maintenance Core Service is to maintain City streetscapes in a safe and aesthetically pleasing condition. This includes median island and roadside landscapes, street trees, sidewalks, special benefit districts, undeveloped rights-of-way, and City-owned parcels. This core service contributes primarily to the Transportation and Aviation Services CSA's Outcome: *Preserve and Improve Transportation Assets and Facilities.*

Street Landscape Maintenance

The Department of Transportation maintains approximately 500 acres of landscapes in the public right of way that contribute directly to the attractiveness and livability of City neighborhoods and thoroughfares. Currently, an estimated 68% of the 228 acres of General Fund-supported landscapes are in good condition, matching the 2005-2006 target. This is down from the high of 85% in 2000-2001 due to the cumulative effect of resource reductions over the past few years.

In 2006-2007, due to the effect of previous resource reductions and the impact of additional reductions, the landscape condition rating is expected to decline to 65% of street landscapes in good condition. In the current year, the capital-funded Median Island Rehabilitation project, which is renovating and modifying 3.5 acres of aging landscape to the current Type I (low maintenance) design, is meeting with success. Type I landscaping is a simple, attractive design that requires less resources to maintain. The completion of this project will help to prevent further deterioration related to previous resource reductions, as well as create capacity for the addition of approximately 8 acres of new landscapes to be accepted in 2006-2007. City crews continue to focus on controlling weeds, removing litter, and keeping the irrigation systems working properly on all street landscaping to maintain the entire infrastructure in the best condition possible.

In addition, the construction and installation of new infrastructure assets, including landscaping acreage, traffic signals, and streetlights will require additional funding to cover the associated annual

Transportation and Aviation Services CSA

Core Service: Street Landscape Maintenance *Transportation Department*

Performance and Resource Overview (Cont'd.)

Street Landscape Maintenance (Cont'd.)

operation and maintenance costs. To ensure that the Department of Transportation will be able to maintain added infrastructure assets going into use in 2006-2007, funding for the operation and maintenance costs of these new assets is approved in this budget.

Street Tree Maintenance

In 2006-2007, it is expected that 37% of the urban forest will be in optimal condition. This is 13 percentage points below the high of 50% achieved in 2001-2002 due to resource reductions over the last few years. The effects of those reductions have been felt primarily in preventive maintenance services. Optimal preventive tree maintenance calls for the trimming of approximately 70,000 trees annually. Contractual tree trimming was eliminated in the 2004-2005 Adopted Operating Budget, but there were some funding remaining in a contract that was carried over into the 2005-2006 budget. The carryover amount allowed contractual tree trimming to continue for a portion of the year. With some contractual tree trimming and City crews, it is estimated that 7,000 trees were trimmed in 2005-2006. With no remaining contractual tree trimming, only 1,000 trees will be trimmed in 2006-2007, all by City crews. By comparison, with the maximum contractual tree trimming funding added in 2001-2002, approximately 20,000 trees were trimmed.

In 2006-2007, City crews will continue to focus on responding to tree emergencies and other corrective maintenance activities in a timely manner. Maintenance staff would also perform some of the corrective services previously performed contractually, but in a less timely manner.

The transfer of the Arborist Technician position out of the Arborist Office and into special assessment districts will result in a slower response to customer requests for tree service. This will result in the operational service measure relating to Arborist Office customer inquiries declining from 90% responded to within 7 days in 2005-2006 to 65%. The Arborist Office will continue to support residents and property owners in their pruning, removing, planting, and caring for their trees. Overall, it is expected that 80% of customer tree and landscape requests will be completed within 14 days in 2006-2007.

Maintain Undeveloped Rights-of-Way

This operational service provides weed abatement on City lands, including unimproved public rights-of-way. Current funding levels enable two treatments on undeveloped roadsides and median islands per year, resulting in nearly weed-free conditions on these properties. In 2005-2006, an estimated 83% of unimproved rights-of-way are in good condition, and this level is expected to remain the same in 2006-2007.

Transportation and Aviation Services CSA

Core Service: Street Landscape Maintenance *Transportation Department*

Performance and Resource Overview (Cont'd.)

Manage Special Landscape Programs

The City provides landscape maintenance to 280 acres of street landscapes in 18 special assessment districts throughout the City. In all of the maintenance assessment district areas, property owners pay for enhanced services through special assessments on their property. The landscapes developed are Type II which have trees, shrubs, ground cover, flowers, fountains etc. and require a higher level of maintenance than the Type I standard in areas that are maintained with General Fund resources only. The higher level of landscape maintenance needed for the Type II standard is funded by the special assessment district. Currently, 94% of the assessment districts 280 acres of landscape are maintained in "good" or better condition. The transfer of the Arborist Technician will allow staff to continue to provide this expected high level of service to the expanding special assessment landscape inventory.

Inspect and Repair Sidewalks

The Sidewalk Repair Grant Program has provided direct grants to more than 19,000 owner-occupied property owners since 1999-2000, in addition to grinding small lifts at more than 35,000 locations. With past reductions in inspection staff, activities in the sidewalk repair program have slowed from previous years to match available funding. In 2005-2006, approximately 2,800 properties were repaired, down from 5,137 in 2002-2003. A projected 45% of the properties will be repaired within 120 days.

Over the last few years, instituting a Sidewalk Repair Grant Cap system has also reduced spending to match available funding. The cap was first instituted in 2004-2005 at \$1,000 for standard-sized properties and \$2,000 for large or corner lots. The cap was reduced in 2005-2006 to \$500 and \$1,000 for large or corner lots. Additional one-time funding of \$265,000 was included in the 2005-2006 Mid-Year Budget Review Report to continue to provide grants and cover higher than anticipated expenditures. In 2006-2007, the cap will remain the same but given the limited funding and the current demand, it is anticipated that funding for the grant program will be exhausted before the end of the fiscal year and some residents may not receive grants. To mitigate the impact on City residents, the Hardship Assistance program will continue as will grinding on all locations where appropriate in order to keep the cost of repairs down.

Downtown Cleaning Activities

In prior years, the Transit Mall, located within the downtown, has received a priority focus for maintaining higher standards of cleanliness. However, these services were significantly reduced over the last few years due to reduced resources. Based on feedback from downtown residents and businesses, the City and the San José Redevelopment Agency (SJRA) augmented funding to increase cleaning activities during the 2005-2006 Mid-Year Budget Review. The SJRA contributed \$120,000 for pre and post event-related cleanups, and the City provided \$240,000 to expand cleaning services into the greater downtown and increase the level of service in high activity areas within the downtown, such as the Transit Mall, San Pedro Square, South of First Area (SoFA), and various








Transportation and Aviation Services CSA

Core Service: Street Landscape Maintenance *Transportation Department*

Performance and Resource Overview (Cont'd.)

Downtown Cleaning Activities (Cont'd.)

transit stops, restoring these activities to pre-2000-2001 levels. In 2006-2007 DOT, in a cooperative effort with the Environmental Services Department (ESD), the SJRA, the Valley Transportation Authority (VTA), and the San José Downtown Association, will continue these higher levels of service to maintain an acceptable level of condition. The approved augmentation of \$500,000 in the General Fund for downtown cleaning activities is included in the Environmental and Utility Services CSA.

Street Landscape Maintenance Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of street landscapes in good condition	74%	68%	68%	65%
 % of the urban forest in optimal condition	48%	40%	39%	37%
 % of reported sidewalk damage repaired within 120 days	45%	40%	45%	45%
 % of customer tree and landscape requests completed within 14 days	88%	90%	90%	80%
 Street Landscape Cost to Budget Ratio	1.00	1.00	1.00	1.00
 % of unimproved rights-of-way rated in good condition (4 or better on a 1-5 scale)	90%	83%	83%	83%
 % of customers rating services good or better based upon timeliness and thoroughness (4 or better on a 1-5 scale)	81%	70%	75%	75%

Changes to Performance Measures from 2005-2006 Adopted Budget: No

Transportation and Aviation Services CSA

Core Service: Street Landscape Maintenance

Transportation Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Acres of General Fund maintained street landscapes	214	228	228	236
Number of street trees pruned (of 340,000 total)	11,674	5,000	7,000	1,000*
Number of street trees emergency responses	1,781	2,000	2,000	2,000
Number of street trees removed	1,186	1,600	1,600	1,600
Number of sidewalk repairs completed	3,224	2,800	2,800	2,800
Acres/districts of Special District maintained street landscapes	274/18	280/18	280/18	285/18

Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No

- * The funding for contractual tree trimming was eliminated in the 2004-2005 Adopted Operating Budget, but there was some funding remaining in a contract that was carried over into 2005-2006. In 2005-2006, there will be City crews and some contractual tree trimming. Starting in 2006-2007, contractual tree trimming will be eliminated altogether and all tree trimming will be performed by City crews.

Street Landscape Maintenance Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 5,282,402	\$ 5,311,986	\$ 5,618,543	\$ 5,536,862	4.2%
Non-Personal/Equipment	4,720,184	5,220,342	5,526,504	5,626,214	7.8%
Total	\$ 10,002,586	\$ 10,532,328	\$ 11,145,047	\$ 11,163,076	6.0%
Authorized Positions	63.50	63.20	62.26	61.26	(3.1%)

- * The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Transportation and Aviation Services CSA

Core Service: Street Landscape Maintenance Transportation Department

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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PRESERVE AND IMPROVE TRANSPORTATION ASSETS AND FACILITIES

- | | | | |
|--|--------|----------|----------|
| 1. Alternate Work Program Reorganization | (1.00) | (84,149) | (84,152) |
|--|--------|----------|----------|

This action reorganizes the Alternate Work Program (AWP) in the Street Landscape Maintenance Core Service by eliminating 1.0 filled Senior Maintenance Worker, eliminating 1.0 vacant Maintenance Worker I, adding 1.0 Maintenance Worker II, and reducing a portion of the non-personal/equipment allocation. The Senior Maintenance Worker coordinated, led, and supervised the AWP which utilizes free inmate labor to perform simple landscaping and litter pickup activities. Because the program was reduced in December 2002 from a 7-day per week program to a 5-day per week program, the need for this Senior Maintenance Worker has been lessened since there is another Senior Maintenance Worker in the program. Due to differences in job specifications, the Maintenance Worker I position is not able to help in the coordination and transportation of the AWP participants whereas the Maintenance Worker II will be able to provide this service and help mitigate the impact of the loss of the Senior Maintenance Worker position. (Ongoing savings: \$91,466)

Performance Results:

Quality The percent of street landscapes in good condition will decline, from 68% to 65%.

- | | | |
|---|----------|----------|
| 2. In-Source Vehicle Maintenance Activities | (18,337) | (17,087) |
|---|----------|----------|

This action will bring more vehicle maintenance and repair services in-house, while producing savings to the City through a reduction to the contractual services budget. Contingent upon the filling of two Mechanic position vacancies, this reduction will result in a cost savings of \$272,500, of which \$220,725 is generated in the General Fund. As a result of using in-house Fleet Maintenance staff to troubleshoot and resolve mechanical problems, efficiencies should be gained as less fleet equipment will be transported to and from outside facilities; however, cycle times may rise during peak workload periods due to the reduction in the ability for Fleet Management to use contractual services for some major and complex repairs. The cost savings in the Transportation Department, Street Landscape Maintenance Core Service is \$18,337. (Ongoing savings: \$18,337)

Performance Results:

Quality A higher quality of work on repairs that are completed should be realized as it will be easier to monitor in-house staff repairs than with a vendor. **Cycle Times** Cycle times for routine repairs are anticipated to decrease as a result of bringing more of them in-house. Cycle times for major and complex repairs could increase, however, as the reduction in the ability to use contractual services during peak workload periods may cause some non-public safety related repairs to be deferred.

Transportation and Aviation Services CSA

Core Service: Street Landscape Maintenance Transportation Department

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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PRESERVE AND IMPROVE TRANSPORTATION ASSETS AND FACILITIES (CONT'D.)

3. New Infrastructure Assets Operations and Maintenance Costs		95,854	95,854
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This action provides funding for operation and maintenance expenses related with new infrastructure assets that will become operational in 2006-2007. With the construction and installation of new infrastructure assets, including landscaping acreage, traffic signals, and streetlights, additional funding to cover the associated annual operations and maintenance costs is required. The majority of these assets were funded by the Traffic CIP and the related maintenance costs were presented in the 2006-2010 Adopted Capital Budget. The new assets will be incorporated into the existing inventory. The new costs are offset by reserves committed in the General Fund Forecast for this purpose. (Ongoing costs: \$101,917)

Performance Results:

Quality, Customer Satisfaction This funding helps ensure that the City is able to maintain added infrastructure assets at current levels.

4. Street Tree Maintenance		24,661	(79,172)
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This action reduces street tree maintenance activities by shifting funding for 1.0 Arborist Technician from the General Fund to a Maintenance Assessment District Fund. The shift of the Arborist Technician to the Maintenance Assessment District Fund (Community Facilities District #8-Communications Hill Fund) is necessary to support activities of this district due to its continuing growth. (Ongoing costs: \$24,661)

Performance Results:

Quality, Cycle Time Reduces the timeliness of responses to customer's tree-related inquiries from 90% to 65% in 7 days, and the condition of the Urban Forest is declining from 39% in good or better condition to 37%.

2006-2007 Adopted Core Service Changes Total	(1.00)	18,029	(84,557)
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Transportation and Aviation Services CSA

Core Service: Traffic Maintenance

Transportation Department

Core Service Purpose

To ensure the proper operation of the City's traffic devices and streetlights by providing maintenance and repair of traffic signals, streetlights, traffic safety devices, signs, and roadway markings.

Key Operational Services:

☐ **Maintain Traffic Devices**

☐ **Maintain Streetlight System**

Performance and Resource Overview

The Traffic Maintenance Core Service provides critical around-the-clock public safety services to the motoring public and pedestrians. The four maintenance sections – traffic signals, traffic signs, roadway markings, and streetlighting – are responsible for installing new devices, providing preventive and corrective maintenance and performing emergency repairs to all devices in a timely and effective manner. This core service contributes primarily to the Transportation and Aviation Services CSA Outcome: *Preserve and Improve Transportation Assets and Facilities*.

Projected General Fund shortfalls in 2006-2007 require a net reduction in resources. Remaining resources will be flexibly utilized and allocated to accomplish critical maintenance activities and minimize the overall impacts to service levels. In responding to service requests, priority will be given to those that pose the most immediate safety concerns and less urgent requests will experience longer delays. All service requests will be addressed.

The construction and installation of new infrastructure assets, including landscaping acreage, traffic signals, and streetlights will require additional funding to cover the associated annual operation and maintenance costs. To ensure that the Department of Transportation will be able to maintain added infrastructure assets going into use in 2006-2007, funding of \$77,000 for the operation and maintenance costs of the new assets was programmed.

Maintain Traffic Devices

Maintaining traffic devices for the City involves work performed on approximately 877 traffic signals, the City's Intelligent Transportation System (ITS), 86,000 traffic and street name signs, thousands of safety devices, and over five million square feet of roadway and curb markings. Crews are assigned to regular, swing, and graveyard shifts on regular workdays and are on call 24-hours a day during weekends and holidays.

In 2005-2006, staff reductions and vacancies in the Traffic Signal Maintenance Section, combined with an expanding traffic signal inventory, had a measurable effect on traffic signal

Transportation and Aviation Services CSA

Core Service: Traffic Maintenance

Transportation Department

Performance and Resource Overview (Cont'd.)

Maintain Traffic Devices (Cont'd.)

intersection maintenance activities. Annual preventive maintenance activities performed on each traffic signal intersection have been discontinued, except for the certification of critical operational safety equipment. This means that only one-third of all needed preventative maintenance activities were completed, as reflected in the 2005-2006 performance measure for "% of traffic signals meeting preventive maintenance guidelines." The reduction of preventative maintenance activities is reducing the operational efficiency of traffic signals. Maintenance activities are expected to continue at that same level in 2006-2007. All remaining activities are corrective in nature and include inspection and maintenance of the pedestrian and vehicle detection systems, replacement of failed signal light indicators, verification of accurate signal timing, and repair of signal indicator devices and hardware. Responding to malfunctioning traffic signals remains a high priority in 2005-2006, as the Department continues to respond to all reports of traffic signal malfunctions. However, staffing reductions have impacted timeliness in this area. The Department is currently responding to 50% of malfunctions within 30 minutes. This same response level is expected to continue in 2006-2007.

Additional electricity cost reductions can be achieved as result of a conversion project, currently underway, to retrofit the remaining green and yellow incandescent traffic signal lamps with energy efficient Light Emitting Diode (LED) units. Currently, all of the City's red traffic signal lights are LED type. Recent advances in green and yellow LED technology, and a wider demand for these devices has now made this conversion cost beneficial. There is a project funded in the Traffic Capital Improvement Program that utilizes City staff to complete the retrofit project over the course of two years. The LED units installed in 2005-2006 produced ongoing savings in electricity costs of approximately \$290,000. In 2006-2007, the second phase of the project should produce additional ongoing electricity cost savings of approximately \$300,000. Once the two-year project is completed in December 2006, there would be a combined total of \$590,000 in ongoing annual electricity costs savings. In addition, the timely completion of this project would qualify the City for a one-time PG&E rebate of \$300,000.

In the Traffic Sign Maintenance Section, the target of 85% of traffic and street name sign service requests completed within seven days is being met. In 2006-2007, the percentage of service requests completed within seven days should remain at the same level. Staff proactively replaced 1,100 faded traffic signs in 2005-2006, well short of the target of 4,000 due to staff vacancies and special projects such as preparing for Cirque du Soleil and San José Grand Prix. With demand for special projects expected to continue, the 2006-2007 replacement target has been lowered to 3,000 signs, which would result in 80% of traffic and street name signs meeting visibility and operational guidelines. New and improved materials have been developed and are being used to extend the life of the signs; however, the frequency of replacement allowed by current funding levels will not be able to keep up with the recommended lifespan of the signs.

In the Roadway Markings Maintenance Section, 65% of the City's markings currently meet visibility and operational guidelines, five percentage points below the target of 70%. Preventive maintenance

Transportation and Aviation Services CSA

Core Service: Traffic Maintenance *Transportation Department*

Performance and Resource Overview (Cont'd.)

Maintain Traffic Devices (Cont'd.)

activities are down due to previous year staffing reductions, as well as an increase in demand for markings services related to special projects like the downtown enhanced "piano key" crosswalks for the San José Safe Streets Initiative and the San José Grand Prix. These new demands are expected to continue in 2006-2007, thus the condition target has been lowered to 65%. The cycle time target will also be affected by these new demands. It is estimated that 70% of roadway markings service requests are being completed within a seven-day period, well below the 85% target. This level of service is expected to continue in 2006-2007.

Limited proactive curb painting would be focused on locations where traffic, pedestrian, and bicycle safety is a concern, and in areas of high business activity.

Maintain Streetlight System











The Streetlight Maintenance Section maintains approximately 58,500 streetlights throughout the City. In 2005-2006, previous staff reductions, extended vacancies, a growing inventory, and other challenges have had a measurable effect on streetlight maintenance activities. In 2005-2006, 38% of streetlight outages were repaired within seven days. DOT is working to improve performance and going into 2006-2007, it is estimated that 50% of streetlight outages would be repaired within seven days. 80% of customers are expected to rate Streetlight Maintenance services as very good or excellent.

Energy costs to operate the existing streetlight system continue to be a major concern. A recent analysis by City staff on new and more energy efficient street lighting technologies concluded that there are emerging technologies on the horizon that could eventually reduce the ongoing costs for electricity. Unfortunately, most of these technologies are still in the early development stages and several years away from being an acceptable replacement for our existing street lighting technology. The Department of Public Works is expected to present their findings to the City Council in fall 2006 with recommendations to pursue pilot installation projects in 2006-2007. In the meantime, the Department of Transportation has identified and implemented several pilot projects testing the use of energy efficient LED technology for decorative lighting (e.g. median island up lighting), as well as the testing of induction lighting technology that would reduce maintenance costs by the increased life span of up to 20 years for this type of lamp.

Transportation and Aviation Services CSA

Core Service: Traffic Maintenance Transportation Department

Performance and Resource Overview (Cont'd.)

Traffic Maintenance Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of traffic signals meeting preventive maintenance guidelines	41%	35%	33%	33%
 % of traffic and street name signs meeting visibility and operational guidelines	86%	85%	80%	80%
 % of traffic roadway markings meeting visibility and operational guidelines	69%	70%	65%	65%
 % of time streetlights are operational	98%	88%*	98%	98%
 Traffic Maintenance Cost to Budget Ratio	1.00	1.00	1.00	1.00
 % of traffic signal malfunctions responded to within 30 minutes	75%	75%	50%	50%
 % of traffic and street name sign service requests completed within 7 days	83%	85%	85%	85%
 % of all roadway marking service requests completed within 7 days	77%	85%	70%	70%
 % of streetlight malfunctions repaired within 7 days	41%	60%	38%	50%
 % of customers rating traffic maintenance services good or better based upon timeliness and courtesy (4 or better On a 5-point scale)	89%	90%	88%	90%

Changes to Performance Measures from 2005-2006 Adopted Budget: No

- * Target based upon the budget reduction for street light operations included in the 2005-2006 Adopted Operating Budget. This proposal selectively turned off 5,500 streetlights. Funding was restored in the 2005-2006 Annual Report while DOT works on implementing this reduction.

Transportation and Aviation Services CSA

Core Service: Traffic Maintenance Transportation Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Number of traffic signals	867	877	888	897
Number of streetlights	58,000	58,000	58,500	59,000
Number of traffic and street name signs	85,965	87,000	86,000	89,000
Number of square feet of markings	5.0 million	5.4 million	5.2 million	5.3 million
Number of traffic signal repair requests completed	3,103	3,000	2,300	2,300
Number of traffic signal preventive maintenance activities completed	1,251	350	450	450
Number of traffic and street name signs repair/replacement requests completed	1,573	1,800	1,600	1,600
Number of traffic and street name signs preventively maintained	4,151	4,000	1,100	3,000
Number of roadway markings maintenance requests completed	481	500	500	500
Number of roadway markings preventively maintained (sq. ft)	1,200,945	1,600,000	1,400,000	1,400,000
Number of streetlight repair requests completed	10,254	10,000	12,200	12,000

Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No

Traffic Maintenance Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 3,602,951	\$ 4,096,988	\$ 4,173,456	\$ 4,377,154	6.8%
Non-Personal/Equipment	6,120,027	6,324,246	7,060,146	6,754,420	6.8%
Total	\$ 9,722,978	\$ 10,421,234	\$ 11,233,602	\$ 11,131,574	6.8%
Authorized Positions	46.60	45.60	43.60	45.60	0.0%

- * The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Transportation and Aviation Services CSA

Core Service: Traffic Maintenance

Transportation Department

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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PRESERVE AND IMPROVE TRANSPORTATION ASSETS AND FACILITIES

- | | | | |
|---------------------------------------|------|-----------|-----------|
| 1. Traffic Signal Replacement Project | 2.00 | (163,302) | (367,000) |
|---------------------------------------|------|-----------|-----------|

This action provides one-time capital funding of \$204,000 to continue 2.0 temporary Electricians for the final year of a two-year Traffic Signals-Rehabilitation Program to convert all the green and yellow incandescent lamps to more efficient LED lamps and replace the aging red LEDs as well. The cost of these positions will be offset by the anticipated year-one electricity savings of \$200,000 that will be generated from the LED retrofit. Additionally, this action eliminates ongoing funding of \$167,000 that was established in 2004-2005 to fund the replacement of failing red LEDs that were installed between 1996 and 1998. Due to the capital funding for replacement available from the Traffic Signals-Rehabilitation Project, there is no need for this funding for at least five years. (Ongoing savings: \$467,000)

Performance Results:

Quality, Customer Satisfaction Added capital funding will provide efficient use of LED technology and minimize maintenance costs to the General Fund. **Cost** Ongoing reduction to General Fund electricity costs will be achieved.

- | | | |
|---|----------|----------|
| 2. In-Source Vehicle Maintenance Activities | (15,290) | (15,290) |
|---|----------|----------|

This action will bring more vehicle maintenance and repair services in-house, while producing savings to the City through a reduction to the contractual services budget. Contingent upon the filling of two Mechanic position vacancies, this reduction will result in a cost savings of \$272,500, of which \$220,725 is generated in the General Fund. As a result of using in-house Fleet Maintenance staff to troubleshoot and resolve mechanical problems, efficiencies should be gained as less fleet equipment will be transported to and from outside facilities; however, cycle times may rise during peak workload periods due to the reduction in the ability for Fleet Management to use contractual services for some major and complex repairs. The cost savings in the Transportation Department, Traffic Maintenance Core Service is \$15,290. (Ongoing savings: \$15,290)

Performance Results:

Quality A higher quality of work on repairs that are completed should be realized as it will be easier to monitor in-house staff repairs than with a vendor. **Cycle Times** Cycle times for routine repairs are anticipated to decrease as a result of bringing more of them in-house. Cycle times for major and complex repairs could increase, however, as the reduction in the ability to use contractual services during peak workload periods may cause some non-public safety related repairs to be deferred.

Transportation and Aviation Services CSA

Core Service: Traffic Maintenance *Transportation Department*

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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PRESERVE AND IMPROVE TRANSPORTATION ASSETS AND FACILITIES (CONT'D.)

3. New Infrastructure Assets Operations and Maintenance		76,564	76,564
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This action provides funding for operation and maintenance expenses related with new infrastructure assets that will become operational in 2006-2007. The majority of these assets were funded by the Traffic CIP and the related maintenance costs were presented in the 2006-2010 Adopted Capital Budget. Furthermore, with the construction and installation of new infrastructure assets, including landscaping acreage, traffic signals, and streetlights, it requires additional funding to cover the associated annual operation and maintenance costs. The new assets were incorporated into the existing inventory. The new costs are offset by reserves committed in the General Fund Forecast for this purpose. (Ongoing costs: \$73,501)

Performance Results:

Quality, Customer Satisfaction This funding helps ensure that the City is able to maintain added capital assets.

2006-2007 Adopted Core Service Changes Total	2.00	(102,028)	(305,726)
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Transportation and Aviation Services CSA

Core Service: Traffic Safety Services *Police Department*

Core Service Purpose

Provide for the safe and free flow of traffic through enforcement, education, investigation, and traffic control.

Key Operational Services:

- | | |
|---|---|
| <input type="checkbox"/> Enforcement | <input type="checkbox"/> Education |
| <input type="checkbox"/> Investigation | <input type="checkbox"/> Traffic Control |

Performance and Resource Overview

Traffic Safety Services are provided by the Police Department to San José's residents and visitors in four major areas: by providing a visible presence as both an enforcement and a prevention measure at heavily impacted locations (freeway access roads, intersections, and near schools); by responding to accidents as they occur which impede the free flow of traffic; by investigating traffic-related complaints received from residents and visitors; and through community meetings.

Crime deterrence and voluntary compliance with traffic regulations are aided by visibility of patrol resources. The performance measures identified in this core service provide a means of determining the success of the Police Department's presence on impacted areas. One key measure in this area is the "% of change of crashes within the 10 highest crash locations." Based on information provided by the Department of Transportation, ten locations are identified each year. Regardless of the specific locations, the Police Department's target remains the same: to gauge effectiveness of police presence in the reduction of accidents.

For 2004-2005, the projected number of accidents was 12,800 and the actual number of accidents was 13,750, which represents a variance of approximately 7% above expected levels. The total number of accidents in 2004-2005 reflects a decrease of 8% compared to the actual of 14,880 accidents in 2003-2004. The number of accidents for 2005-2006 is estimated to be 13,819, reflecting an increase of less than 1% over the prior year.

The number of crashes at the 10 highest crash locations stayed relatively the same for the prior two years, with 209 in 2003-2004 and 205 in 2004-2005. Preliminary crash data for 2005-2006 indicates that the number of crashes at the 10 highest crash locations will increase by approximately 7% with an estimated 219 crashes at these locations. This projected increase in accidents at the 10 highest crash locations may be attributed, in part, to the reduction of a Traffic Enforcement team (one Sergeant and six Officers) in 2005-2006. Elimination of one team reduced resources for the Police Department's Traffic Accident Reduction Program (TARP). Since the 10 highest crash locations will change over time, the actual numbers for this measure will be adjusted, but the target of a 10% reduction remains constant.

Transportation and Aviation Services CSA

Core Service: Traffic Safety Services

Police Department





Performance and Resource Overview (Cont'd.)

The number of traffic complaints received in 2004-2005 was significantly lower than the 475 anticipated with 366 actual complaints. The drop in complaints could be attributed to greater intersection coverage made possible through traffic safety grants, and actively focusing on high complaint areas. The Department's proactive role in contacting complainants to better understand issues could also be a contributing factor to the decline in complaints. The forecast for the number of traffic complaints received in 2005-2006 was set at 530, while the actual number of complaints is estimated to be 298.

The number of hazardous moving violation citations issued totaled 33,472 in 2004-2005, which was 3% above the forecast of 32,500. The number of moving violation citations projected for 2005-2006 was reduced to 29,000 with the elimination of one Traffic Enforcement Team. The number of citations issued for 2005-2006 is estimated at 32,416, which is above the 2005-2006 projection, but slightly below the actual level for 2004-2005.

The Police Department's Traffic Enforcement Unit (TEU) continues to receive various grants from the State's Office of Traffic Safety. TEU was awarded an additional \$400,000 grant in 2005-2006 for street racing enforcement. TEU is also completing use of multi-year grants for continued efforts of the seat belt enforcement campaign and for reducing the number of deaths and injuries involving vehicular accidents and "driving under the influence" (DUI). The grants have funded the purchase of equipment, overtime for additional enforcement efforts, and other direct costs, including training. TEU will continue to seek grants to further the efforts on traffic safety.

In accordance with the Mayor's June Budget Message, an additional eight Police Officer positions were approved in order to enhance downtown safety. The Police Department will further its efforts to enforce cruising restrictions in the non-cruising zones. In conjunction with this effort, the Department will also enhance downtown curfew enforcement.

Traffic Safety Services Performance Summary		2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
	% of change of crashes within the 10 high crash locations	-7%	-10%	+7%	-10%
	Ratio of hazardous moving violation citations issued and DUI arrests compared to total number of fatalities and injury cases	10 : 1	9 : 1	10 : 1	10 : 1
	% of traffic complaints responded to within a 2 week period	90%	80%	90%	90%
	% of traffic complainants who rate response a 4 or better on a scale 1 to 5	80%	70%	80%	80%

Changes to Performance Measures from 2005-2006 Adopted Budget: No

Transportation and Aviation Services CSA

Core Service: Traffic Safety Services Police Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Number of traffic accidents	13,750	12,800	13,819	13,800
Number of crashes at 10 high crash locations	205	162	219	197
Number of traffic complaints received	366	530	298	475
Number of hazardous moving violation citations issued	33,472	29,000	32,416	29,000
Number of pedestrian injuries	295	270	304	270
Number of accidents involving red light running violations	870*	TBD	863*	860

Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No

* Data provided on a calendar year basis. 2004-2005 Actual reflects data for calendar year 2004. 2005-2006 Estimated reflects actual data for calendar year 2005.

Traffic Safety Services Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2005-2006 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 7,518,709	\$ 7,622,103	\$ 8,183,493	\$ 8,524,414	11.8%
Non-Personal/Equipment	69,230	372,316	372,316	575,016	54.4%
Total	\$ 7,587,939	\$ 7,994,419	\$ 8,555,809	\$ 9,099,430	13.8%
Authorized Positions	61.00	54.00	55.00	63.00	16.7%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Transportation and Aviation Services CSA

Core Service: Traffic Safety Services
Police Department

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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PROVIDE SAFE AND SECURE TRANSPORTATION SYSTEMS

1. Police Department Downtown Safety Police Officer Staffing	8.00	543,621	543,621
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This action provides funding for eight new Police Officer positions. In accordance with City Council approval of the Mayor's June Budget Message, these additional positions will focus on providing cruising abatement and curfew enforcement in the downtown area. The Police Department will explore options that would balance cruising restrictions with downtown business needs. Efforts to enforce the downtown curfew will be coordinated with programs offered through Santa Clara County and the Mayor's Gang Prevention Task Force in order to support at-risk youth in the community. (Ongoing cost: \$919,726)

Performance Results:

Quality The additional resources will help improve downtown traffic safety.

2006-2007 Adopted Core Service Changes Total	8.00	543,621	543,621
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Transportation and Aviation Services CSA

Core Service: Transportation Operations *Transportation Department*

Core Service Purpose

To provide for the safe and efficient movement of vehicles and pedestrians by optimizing traffic flow, calming neighborhood traffic, providing traffic safety education, and installing traffic improvements.

Key Operational Services:

- ☐ **Optimize Arterial Traffic Conditions**
- ☐ **Promote Transportation Safety**
- ☐ **Enhance Neighborhood Traffic Conditions**

Performance and Resource Overview

The Transportation Operations Core Service optimizes the systems and devices necessary for the safe and efficient flow of vehicular and pedestrian traffic. This includes optimizing traffic conditions throughout the system, enhancing neighborhood traffic conditions, and promoting transportation safety. This core service contributes primarily to the Transportation and Aviation Services CSA Outcomes: *Provide Safe and Secure Transportation Systems; Travelers Have a Positive, Reliable and Efficient Experience; Provide a Transportation System that Enhances Community Livability; and Provide Viable Transportation Choices that Promote a Strong Economy.*

Optimize Arterial Traffic Conditions

A primary strategy for optimizing arterial traffic conditions has been proactive signal retiming. Since 2001-2002, approximately 400 signals have been retimed, yielding a 10% to 15% reduction in travel time along the commute corridors addressed. In order to maintain optimal corridor operation, signals should be retimed every two years to adjust for traffic pattern or land use changes, but with current funding levels, signals will be retimed every five to six years. The City's retiming effort has been funded mostly through local and regional grant programs, such as the Transportation for Clean Air Program administered by the Valley Transportation Authority and the Regional Signal Retiming Program that is administered by the Metropolitan Transportation Commission. In 2005-2006, 140 signals were retimed, and 100 signals will be retimed in 2006-2007. The decline is due to the cumulative impact of reduced support staff, added special projects, and the completion of a light rail retiming grant in spring 2006. In 2006-2007, a greater emphasis will be given to multi-modal corridors such as Bascom Avenue from Interstate 880 to Lark Avenue, Capitol Avenue Light Rail Transit (LRT) corridor, and The Alameda/Santa Clara Street Bus Rapid Transit corridor where pedestrian, vehicle, and transit flow will be enhanced.

Transportation and Aviation Services CSA

Core Service: Transportation Operations *Transportation Department*

Performance and Resource Overview (Cont'd.)

Optimize Arterial Traffic Conditions (Cont'd.)

The number of congestion complaints increased approximately 20% in 2005-2006, from 397 in 2004-2005, and is expected to continue to rise due to an increase in construction, development activities, and land use changes. The shift in focus of proactive retiming to multi-modal corridors will help to address some of these impacts. In 2004-2005, the percent of customers rating services as good or better was 85%. The target was lowered to 70% in 2005-2006 following program reductions, but the program is expected to end the year at 59% as the impact of limited staffing resources and increased workload demands was greater than anticipated. With no significant program changes, the percentage is projected to be 60% in 2006-2007.

The division's management of major downtown events as well as construction and incident activities on major arterials and freeways continues to successfully reduce traffic impacts. In addition to providing more efficient access to event venues and employment centers, active management of events and incidents improves travel time by 10% to 20%. Examples of significant events managed in 2005-2006 include the inaugural San José Grand Prix, the Tour of California Bicycle Race, and the Interstate 880 and Coleman Interchange construction area. Infrastructure necessary for greater remote surveillance and traffic signal control is being planned and conditioned with development or capital projects where feasible.

A \$6.4 million federal grant has been secured for the construction of the Transportation Incident Management Center (TIMC) in the City's communications building, which, when renovated in 2006-2007, will allow co-location of public safety, emergency operations and traffic management services to better coordinate responses to public safety and security matters. Communication infrastructure necessary to connect key city facilities with traffic control facilities will be constructed in 2006-2007, and system integration and expansion will be completed by 2009-2010. Two grant-funded positions were added in 2006-2007 to support the planning, design, construction, and management of this multi-year project. Other intelligent transportation system projects that are under design and will begin construction next year include the Traveler Information Center at City Hall and the improvements along Stevens Creek.

In 2005-2006, planning and design efforts began to upgrade the City's Central Traffic Control System that receives field data and provides the tools needed to effectively manage traffic flow from the Transportation center in City Hall. The upgrade of the system will be completed in 2006-2007 and improve field-to-center communication with the new federal standard traffic controllers. The first phase of controller replacements (21 intersections) will occur along the Capitol Avenue Light Rail Transit (LRT) corridor, and is scheduled for completion in May 2007. As funding allows, controller replacement will occur city-wide over a five year period, beginning in 2007-2008.

Transportation and Aviation Services CSA

Core Service: Transportation Operations *Transportation Department*

Performance and Resource Overview (Cont'd.)

Enhance Neighborhood Traffic Conditions

The Traffic Calming Program continues to successfully mitigate traffic impacts in neighborhoods despite significant budget reductions in recent years, leaving funding for only the most basic traffic mitigations such as traffic control signs and roadway markings. As a reflection of the program's success, the number of completed traffic calming requests has been steadily declining since its height of 2,060 in 2002-2003. The number is projected to decrease by 9%, from 1,536 in 2004-2005 to 1,400 in 2005-2006, and continue at that level in 2006-2007. The timeliness of basic requests will remain at 50% in 2006-2007, which is down from a high of 83% in 2002-2003 before significant reductions. Overall, the decrease in performance is a direct result of cumulative staffing reductions in recent years and additional workgroup responsibilities such as the Safe Streets Initiative, special events, and essential proactive traffic studies.

In 2005-2006, the Neighborhood Automated Speed Compliance Program (NASCOP) expanded by 10 streets to provide deployment to approximately 180 neighborhood streets to help reduce speeding in neighborhoods. In 2006-2007, it is anticipated that the program will expand to over 190 streets. To accomplish this with existing resources, it will be necessary to reduce the level of deployments on existing neighborhood streets that have a lower volume of speeding vehicles.

Promote Transportation Safety

In 2005-2006, the Safe Streets Initiative provided for the installation of 200 red light running indicators to enhance enforcement efforts by the Police Department; pedestrian countdown signal heads at 72 high activity intersections and flashing beacons at 14 crosswalks to enhance safety at pedestrian crossings.

Street Smarts is a nationally recognized traffic safety education program designed by DOT to change driver, pedestrian, and bicyclist behavior to enhance safety. There are currently 20 neighborhoods in San José as well as eight other California communities that have adopted the Street Smarts program. Since 2003, the first year of the Street Smarts Program, the number of pedestrian and bike related injuries and fatalities per 1,000 population (for all ages) in San José has been declining, along with the number of accidents involving red-light violations. While it is not possible to isolate the effectiveness of any one element of the City's traffic safety programs, DOT does believe that these results accurately reflect the combined effectiveness of the Three "Es" - Engineering, Education, and Enforcement.

In response to a trend over the past few years showing a rise in the average age of pedestrian fatalities, the Street Smarts program is expanding its outreach to San José's senior population. It is anticipated that this will result in more presentations to senior centers and other venues for reaching this older population; however, current program funding does not allow for a media outreach

Transportation and Aviation Services CSA

Core Service: Transportation Operations Transportation Department





Performance and Resource Overview (Cont'd.)

Promote Transportation Safety (Cont'd.)

program to reinforce those safety messages. The Traffic Safety Education Marketing/Public Outreach Manager position that manages this program was approved to be funded in 2006-2007 (one-time).

The School Safety Education component of the Street Smarts program was launched in January 2005 funded by a \$230,000 start-up grant from the California Office of Traffic Safety. This program teaches children in grades K-8 age-appropriate safety principles, such as how to cross the street safely and the proper way to wear a bike helmet and ride a bike. Unfortunately, the grant funding for this program was only intended to start the program, and the goal was to find ongoing funding to continue this program to protect one of the most vulnerable populations in our community - our children. This funding has not been identified, so the program is slated to end in December 2006.

In 2005-2006, 190 presentations were given at elementary and middle schools, reaching over 28,000 students. This is significantly higher than the projected target of 85 presentations, because that figure only reflected the number of schools receiving presentations instead of the number of presentations. The number of schools reached was 47, which is below the estimate for a number of reasons. Some of the schools were large and took considerably more time to reach all the students, and there were also scheduling challenges with some schools, a vacancy during a critical period, and the estimate was developed before the program began and was too optimistic. In 2004-2005, during the first partial year of the program, 40 schools received a total of 218 presentations that reached nearly 17,000 students. In 2006-2007, staff only expects to give 75 presentations, reaching around 12,000 students, because the grant funding for this program will end in December 2006.

Transportation Operations Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of city arterials with traffic flows at optimum efficiency	65%	65%	60%	60%
 Transportation Operations Cost to Budget Ratio	1.00	1.00	1.00	1.00
 % of signs and markings installed within 35 days from initial study request	62%	50%	50%	50%
 % of customers rating services good or better based upon timeliness, added safety, and satisfaction with solution	85%	70%	59%	60%

Changes to Performance Measures from 2005-2006 Adopted Budget: No

Transportation and Aviation Services CSA

Core Service: Transportation Operations Transportation Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Number of pedestrian and bike injury/fatality accidents *	633	600	573	580
Number of pedestrian and bike injury/fatality accidents for children (ages 5 to 14) to and from school *	41	50	34	40
Number of traffic congestion complaints	397	450	500	525
Number of traffic studies completed and implemented	1,536	1,600	1,400	1,400
Number of school safety education presentations conducted	40	85	47	25**
Number of special events managed	137***	190	190	190

Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No

* Beginning in 2004-2005, data for pedestrian and bike injury/fatality accidents are now based on the previous calendar year instead of fiscal year as formerly reported.

** The existing state funding supports school safety program only through December 2006.

*** Hockey season was cancelled and resulted in fewer than anticipated special events managed in 2004-2005.

Transportation Operations Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 5,897,325	\$ 5,790,874	\$ 6,064,618	\$ 6,530,227	12.8%
Non-Personal/Equipment	762,074	921,421	999,566	999,787	8.5%
Total	\$ 6,659,399	\$ 6,712,295	\$ 7,064,184	\$ 7,530,014	12.2%
Authorized Positions	64.90	61.90	59.80	63.80	3.1%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Transportation and Aviation Services CSA

Core Service: Transportation Operations

Transportation Department

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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PROVIDE SAFE AND SECURE TRANSPORTATION SYSTEMS

1. Traffic Safety Education Program Marketing/Public	1.00	125,666	0
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This action creates a new full-time capital-funded Marketing/Public Outreach position with a limit date of June 30, 2007. The Marketing/Public Outreach Manager position was added on a temporary basis (overstrength) in 2001-2002, and it has continued as a temporary position since then. This position manages the City's traffic safety education program that targets changing driver, pedestrian, and bicyclist behavior to improve safety on the streets. This position is also involved in neighborhood programs, regional transportation projects, and on the on-street and off-street parking programs. The limit date for this position will be considered for extension in the future if capital funds are available. (Ongoing costs: \$0)

Performance Results:

Quality, Customer Satisfaction This action will allow the program to continue to educate citizens to improve pedestrian, bicyclist, and driver safety.

2. In-Source Vehicle Maintenance Activities	(2,279)	(2,279)
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This action will bring more vehicle maintenance and repair services in-house, while producing savings to the City through a reduction to the contractual services budget. Contingent upon the filling of two Mechanic position vacancies, this reduction will result in a cost savings of \$272,500, of which \$220,725 is generated in the General Fund. As a result of using in-house Fleet Maintenance staff to troubleshoot and resolve mechanical problems, efficiencies should be gained as less fleet equipment will be transported to and from outside facilities; however, cycle times may rise during peak workload periods due to the reduction in the ability for Fleet Management to use contractual services for some major and complex repairs. The cost savings in the Transportation Department, Transportation Operations Core Service is \$2,279. (Ongoing savings: \$2,279)

Performance Results:

Quality A higher quality of work on repairs that are completed should be realized as it will be easier to monitor in-house staff repairs than with a vendor. **Cycle Times** Cycle times for routine repairs are anticipated to decrease as a result of bringing more of them in-house. Cycle times for major and complex repairs could increase, however, as the reduction in the ability to use contractual services during peak workload periods may cause some non-public safety related repairs to be deferred.

Transportation and Aviation Services CSA

Core Service: Transportation Operations *Transportation Department*

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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PROVIDE SAFE AND SECURE TRANSPORTATION SYSTEMS (CONT'D.)

3. Transportation Incident Management Center (TiMC)	2.00	239,184	0
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This action provides funding for 1.0 Associate Engineer, 1.0 Program Manager, and one-time funding of \$5,000 in non-personal/equipment. The Associate Engineer and Program Manager will support the design and construction of the Transportation Incident Management Center (TiMC) project. The new TiMC must be implemented to facilitate the relocation of Signal Center, and to support integration services between Public Safety, Emergency Operations, and Transportation. The Associate Engineer will integrate electronic traffic data into public safety dispatch operations, manage consultant design/construction, system integration, and implement enhanced field/mobile data systems. The Program Manager will obligate and administer federal grant funds, oversee regional policy and technical committees, manage multi-agency and department coordination, and oversee operational programs. The TiMC project is budgeted in the Traffic CIP and the costs will be offset by a federal grant. (Ongoing costs: \$260,156)

Performance Results:

Quality, Customer Satisfaction This action will support the integration of services between Public Safety, Emergency Operations, and Transportation to provide effective incident management.

PROVIDE VIABLE TRANSPORTATION CHOICES THAT PROMOTE A STRONG ECONOMY

4. Events Coordination Management	1.00	103,259	103,259
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This action provides funding for one Senior Events Coordinator position and one-time funding for non-personal/equipment. The Senior Events Coordinator will be the point of contact for all transportation-related services necessary to support special events. This position will coordinate with special event promoters, stakeholders, businesses, and residents; support inter-agency coordination with Caltrans, Valley Transportation Authority (VTA), and the County of Santa Clara; and maintain related service requests including street signs, landscape, and cleaning. Without this position, DOT will be less able to successfully support events critical to the economic development of the City. The work cannot be absorbed by existing staff without significant impact on other core services. (Ongoing costs: \$109,457)

Performance Results:

Quality, Customer Satisfaction Provides effective coordination of major transportation-related events that support economic development in the City.

2006-2007 Adopted Core Service Changes Total	4.00	465,830	100,980
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Transportation and Aviation Services CSA

Core Service: Transportation Planning and Project Delivery *Transportation Department*

Core Service Purpose

Plan and develop the City's transportation system through local and regional programs.

Key Operational Services:

- | | |
|--|---|
| <input type="checkbox"/> Plan Transportation System | <input type="checkbox"/> Policy Analysis and Advocacy |
| <input type="checkbox"/> Manage Capital Improvement Program | <input type="checkbox"/> Coordinate Regional Transportation Projects |

Performance and Resource Overview

The Transportation Planning and Project Delivery Core Service provides planning, policy advocacy, coordination, financial administration, and project management services to support development of the City's transportation infrastructure. This core service contributes to all Transportation and Aviation Services CSA Outcomes: *Preserve and Improve Transportation Assets and Facilities; Provide Safe and Secure Transportation Systems; Provide a Transportation System that Enhances Community Livability; Provide Viable Transportation Choices that Promote a Strong Economy; and Travelers Have a Positive, Reliable, and Efficient Experience.*

Plan Transportation System

The operational service of planning the City's transportation system includes managing the transportation elements of the City's General Plan, coordinating transportation and land use planning studies, advising on transportation issues related to private development projects, and analyzing the performance of the transportation system.

In 2005-2006 the number of transportation analysis/studies was estimated to be 70. This higher level of activity may be attributed to General Plan Amendment analyses that illustrate a higher level of General Plan development activity in the City. Typically, there are approximately 50 transportation studies prepared annually for various purposes. These studies include traffic forecasts prepared for individual General Plan amendments, traffic reports for City capital improvement projects, and transportation planning for major development projects, in areas such as North San José, Downtown, Coyote Valley, Evergreen, and Edenvale. In addition, over 400 private development plans are reviewed, of which 25% warrant a significant transportation response. For the City's 877 signalized intersections, traffic data is maintained in a database and analyzed to monitor congestion levels, in compliance with State regulations and local policies, and to identify future improvement needs. In 2005-2006, two Area Development Policies (Evergreen and Edenvale) were modified and a new Coyote Valley Development Policy was developed to align the City's policies with the City's goals related to multi-modal transportation, smart growth, quality neighborhoods, and economic development.

Transportation and Aviation Services CSA

Core Service: Transportation Planning and Project Delivery *Transportation Department*

Performance and Resource Overview (Cont'd.)

Manage Capital Improvement Program

The three main functions of managing the Capital Improvement Program (CIP) include preparing the City's Traffic CIP, administering grant-funded programs, and ensuring the timely and cost effective delivery of projects.

In 2005-2006, there were a total of 112 surface transportation related projects in the Traffic CIP, the Parking CIP, and the San José Redevelopment Agency-funded SNI projects. Staff has been focusing efforts to ensure the delivery of Transportation-related projects on-budget and on-schedule. The 2005-2006 estimated performance for on-schedule delivery was 93% and the estimated performance for delivering projects on-budget was 89%. The targets for 2006-2007 are consistent with the current performance; on-schedule delivery is projected at 93% and projects on-budget at 85%.

In 2006-2007, the City is expected to receive an estimated \$12.1 million in transportation-related grant revenues, significantly higher than the past few years. Grant revenues in 2004-2005 were \$2.4 million. The current increase in grant funding is due to restored support for transportation at State and federal levels. The transportation programs most significantly benefiting from increased State and federal grants are Pavement Maintenance and Intelligent Transportation Systems.

Policy Analysis and Advocacy

The goal of the transportation policy analysis and advocacy services is to support the City's interests through the policies and actions of regional, State and federal agencies. To achieve this outcome, the City's elected officials, with support from City staff, play an active role on policy and technical committees for various regional organizations, including the Santa Clara Valley Transportation Authority (VTA), the Metropolitan Transportation Commission (MTC), the Caltrain Joint Powers Board, the League of California Cities (LOCC), and the National League of Cities (NLC). Eight of the City's elected officials serve on a total of 11 regional transportation boards. In addition, the City actively lobbies the State and federal governments on legislative interests.

Securing regional transportation funding for projects in San José is an ongoing policy priority. Successful past efforts resulted in funding for the completion of the Route 87 freeway from Julian Street to Route 101, upgrading the Route 880/Coleman interchange, and building the new Route 101/Bailey interchange in Coyote Valley. Recent major efforts have helped obtain funding for San José projects in the new federal transportation bill (SAFETEA-LU). Projects which have received "earmark" funding allocations include: Route 880/Stevens Creek interchange upgrade, Transportation Incident Management Center, Route 101/Tully improvements, Almaden Expressway improvements near Route 85, and trail projects along Guadalupe River, Coyote Creek and the Bay Trail. In 2006-2007, policy support and advocacy will also focus on several key areas that include: securing federal funding for the implementation of the BART to San José project, restoring State funding from Proposition 42, and seeking construction funds for Blossom Hill/Monterey Pedestrian Overcrossing project.

Transportation and Aviation Services CSA





Core Service: Transportation Planning and Project Delivery *Transportation Department*

Performance and Resource Overview (Cont'd.)

Coordinate Regional Transportation Projects

This operational service involves coordinating with other transportation agencies such as the VTA, Caltrans, the County, BART, and the High Speed Rail Authority, to plan, design, and construct regional projects consistent with the City's interests. Specific services include the review of project studies and designs, preparation of multi-agency agreements, monitoring construction operations, and supporting City participation on technical and policy committees.

In 2005-2006, a total of 30 regional projects or sub-project contracts were active in San José at a value of approximately \$274 million. The major active construction projects include the Route 87 (North and South) High Occupancy Vehicle (HOV) projects, the Route 880/Coleman interchange upgrade, and the Downtown Transit Mall Retrofit project. Additionally, preliminary engineering is active for the BART extension to San José, the extension of light rail along Capitol Expressway to Evergreen, and the Route 101 interchange upgrades at Capitol Expressway and Tully Road. Other regional project activity will continue in 2006-2007, with major new activities focused on planning work for the Route 880/Stevens Creek interchange, Route 101/Zanker overcrossing, and Route 101/Mabury interchange.

Transportation Planning and Project Delivery Performance Summary		2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
	% of issues resolved in City's best interest	86%	80%	80%	80%
	% of budget / cost ratio	1.00	1.00	1.00	1.00
	% of Transportation CSA projects delivered within two months of approved baseline schedule	82%	85%	93%	93%
	% of stakeholders and customers rating services as good or better	91%	90%	90%	90%

Changes to Performance Measures from 2005-2006 Adopted Budget: No

Transportation and Aviation Services CSA

Core Service: Transportation Planning and Project Delivery Transportation Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Number of local Transportation projects in CIP Database	112	140	112	108
Dollar amount of projects in 5-year Traffic CIP	\$206 M	\$210 M	\$210 M	\$219 M
Number of transportation analyses/studies	61	45	70	50
Dollar amount of transportation grant funds received	\$2.4 M	\$6.2 M	\$12.1 M	\$9.2 M
Number of regional projects in the City*	36	35	30	32
Dollar amount of regional projects in the City**	\$267 M	\$267 M	\$274 M	\$272 M

Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No

* The number of regional projects includes projects in all phases of development (planning, design and construction).

** The dollar value of regional projects reflects only projects under construction.

Transportation Planning and Project Delivery Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 3,184,182	\$ 3,938,241	\$ 4,154,147	\$ 4,154,147	5.5%
Non-Personal/Equipment	43,730	101,984	103,308	88,687	(13.0%)
Total	\$ 3,227,912	\$ 4,040,225	\$ 4,257,455	\$ 4,242,834	5.0%
 Authorized Positions	 37.30	 35.30	 33.70	 33.70	 (4.5%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Transportation and Aviation Services CSA

Core Service: Transportation Planning and Project Delivery *Transportation Department*

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
PROVIDE VIABLE TRANSPORTATION CHOICES THAT PROMOTE A STRONG ECONOMY			
1. Transportation Planning and Project Delivery Supplies and Materials		(14,000)	(14,000)
This action reduces the supplies and materials allocation in the Transportation Planning and Project Delivery Core Service in the Department of Transportation. (Ongoing savings: \$14,000)			
Performance Results:			
There should be no significant service impact expected from this reduction in funding.			
2. In-Source Vehicle Maintenance Activities		(621)	(621)
This action will bring more vehicle maintenance and repair services in-house, while producing savings to the City through a reduction to the contractual services budget. Contingent upon the filling of two Mechanic position vacancies, this reduction will result in a cost savings of \$272,500, of which \$220,725 is generated in the General Fund. As a result of using in-house Fleet Maintenance staff to troubleshoot and resolve mechanical problems, efficiencies should be gained as less fleet equipment will be transported to and from outside facilities; however, cycle times may rise during peak workload periods due to the reduction in the ability for Fleet Management to use contractual services for some major and complex repairs. The cost savings in the Transportation Department, Transportation Planning and Project Delivery Core Service is \$621. (Ongoing savings: \$621)			
Performance Results:			
Quality A higher quality of work on repairs that are completed should be realized as it will be easier to monitor in-house staff repairs than with a vendor. Cycle Times Cycle times for routine repairs are anticipated to decrease as a result of bringing more of them in-house. Cycle times for major and complex repairs could increase, however, as the reduction in the ability to use contractual services during peak workload periods may cause some non-public safety related repairs to be deferred.			
2006-2007 Adopted Core Service Changes Total		(14,621)	(14,621)

Transportation and Aviation Services CSA

Strategic Support *Airport Department*

Strategic Support represents those services provided within the Department that support and guide the provision of Airport core services. While there are both resources and performance measures associated with Strategic Support at the operational level, these are not presented separately in this document. Performance Measures are shown only at the core service level. Strategic Support services are designed to improve core service delivery.

☐ **Communications**

☐ **Employee Resources and Training**

☐ **Information Technology**

☐ **Financial Management**

Performance and Resource Overview

Strategic support is considered the foundation for all Airport core services. Each Strategic Support function plays a critical role in meeting the Transportation and Aviation Services CSA's five desired outcomes and the Airport Department's three core services.

The 2006-2007 Adopted Strategic Support budget reflects an increase of 11.4%, or \$2.2 million. As with the other Airport core services, this budget increase primarily reflects cost of living adjustments for salaries, benefits and retirement, and overhead rate increases. In addition, an Analyst from the Acoustical Treatment (ACT) Program has been reallocated to Strategic Support to provide support to the Airport Technology Services (ATS) section. An Information Systems Analyst and a Senior Electronic Systems Technician were also added at mid-year to provide additional support to the Terminal Area Improvement Program.

Where possible, managers have sought to mitigate these increases by identifying organizational efficiencies that would allow the Airport to accomplish "more with less" and maintain a high level of service. The 2006-2007 Adopted Budget includes actions that reduce non-personal/equipment funding that supports the various services within the department and the elimination of the remainder of two positions discussed in the Airport Customer Service Core Service.

Strategic Support Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Strategic Support Budget *					
Personal Services	\$ 8,477,147	\$ 10,036,760	\$ 11,491,691	\$ 11,474,284	14.3%
Non-Personal/Equipment	7,771,792	8,993,937	9,882,338	9,719,260	8.1%
Total	\$ 16,248,939	\$ 19,030,697	\$ 21,374,029	\$ 21,193,544	11.4%
Authorized Positions	100.38	97.08	100.59	99.96	3.0%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Transportation and Aviation Services CSA

Strategic Support Airport Department

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)
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PROVIDE VIABLE TRANSPORTATION CHOICES THAT PROMOTE A STRONG ECONOMY

1. Selected Airport Non-Personal/Equipment Funding Efficiencies (168,988)

A number of reductions in administrative support supplies and stores, travel, training, postage, lease costs, and contractual services were approved. The reduction reflects savings associated with removing one large photocopier from service on an ongoing basis, saving \$24,000 annually. Also, the elimination of funding on a one-time basis for the production of media guides, photography services, and associated supplies and materials was approved. Funding for the Holiday Program, which includes budget for snacks and refreshments provided during the holidays, was also reduced. The Airport will, however, continue to provide refreshments to passengers using an alternative source of funding. (Ongoing savings: \$34,900)

Performance Results:

Customer Satisfaction These reductions limit the flexibility for new or additional services, however, since these funds have largely remained unspent as part of the Airport's cost/position management plan no new service level impact is anticipated.

2. Airport Audit Program (0.50) (55,207)

This action reflects the ongoing elimination of 0.5 vacant Accountant II position. This position served as a member of the Airport Auditing group (3 staff) and was responsible for monitoring and auditing the Airport parking program. Specifically, the position audited "exception tickets" in the Airport parking system. Exception tickets, for example, are generated when the Airport's long-term parking lot is at capacity and short-term parking is offered to passengers at long-term rates. A corresponding action in the Airport Customer Service Core Service eliminates the remainder of this position. (Ongoing savings: \$55,207)

Performance Results:

Customer Satisfaction No significant impact is anticipated since lower parking activity has reduced the number of parking exceptions generated. Also, the number of specialized parking audits performed by an outside company has been increased. Should Airport parking activity increase in the future, it may become necessary to add back this position.

Transportation and Aviation Services CSA

Strategic Support Airport Department

Strategic Support Budget Changes (Cont'd.)

Adopted Strategic Support Changes	Positions	All Funds (\$)
PRESERVE AND IMPROVE TRANSPORTATION ASSETS AND FACILITIES		
3. Airport Maintenance Services	(0.13)	(13,383)
<p>A vacant Facility Repair Worker position (0.13 in this core service), responsible for skilled maintenance work in the Airport terminals, airfield, and parking/roadway areas, was eliminated. Specific duties of this position included the maintenance and repair of equipment such as automatic doors, hold room seating, plumbing, and security card readers. This position also performed complex irrigation and landscaping work, and made repairs to Airport fencing and parking control booths. The elimination of this position decreases the number of Airport workers in this classification to 12 positions. A corresponding action in the Airport Customer Service Core Service eliminated the remainder of this position. (Ongoing savings: \$13,383)</p>		
Performance Results:		
<p>Customer Satisfaction The elimination of the Facility Repair Worker position may impact the ability of Airport Facilities management to adequately staff for maintenance services, given current staffing levels. However, the position has been vacant since December 2005, and careful staffing management has resulted in no serious reductions in service level and none are anticipated for 2006-2007.</p>		
4. Airport Technology Services Position Reallocation		57,093
<p>New technology systems mark an increase in responsibility for the Airport Technology Services (ATS) Section. ATS's customer base will expand to include tenant airlines and Airport passengers. This action provides for the permanent addition of a Senior Systems Application Programmer that had previously been approved on a temporary basis. The addition of this position is being offset by the elimination of a vacant Custodian. This position is currently responsible for front-line implementation of systems that will be developed in conjunction with the North Concourse Building project and the Terminal Area Improvement Program. These systems include, but are not limited to, visual paging, dynamic signage, gate management tools and support network infrastructure. (Ongoing costs: \$107,102)</p>		
Performance Results:		
<p>Customer Satisfaction The new gate management and signage systems, as an example, will be critical to Airport operations, and maintenance and reliability of these systems will also be critical. The permanent addition of this position will help the Airport to maintain the level of service required by these new systems. Also, no new service impacts are anticipated from the deletion of the vacant Custodian position as the position had been assigned to the Airport Technology Service Section for the past three years. A total of 53 positions in the Custodian classification remain budgeted and the team has succeeded in utilizing existing staff to maintain current service levels.</p>		
2006-2007 Adopted Strategic Support Changes Total	(0.63)	(180,485)

Transportation and Aviation Services CSA

Strategic Support *Transportation Department*

Provide the necessary direction and support to the department's core services by ensuring sound budget and fiscal services, hiring of quality new employees, development of a highly skilled and safe workforce, and implementation of useful and reliable information technology systems.

Key Operational Services:

- | | |
|---|--|
| <input type="checkbox"/> Budget and Financial Services | <input type="checkbox"/> Personnel |
| <input type="checkbox"/> Training and Safety | <input type="checkbox"/> Information Technology |

Performance and Resource Overview

Strategic Support provides essential behind-the-scenes services that are necessary for the effective management of the department core services. By centralizing operational services such as budget and financial management, training and safety functions, personnel services, and information technology management, front-line staff will be better able to provide quality services to the department's customers.

Budget and Financial Services

In 2005-2006 the Budget and Financial Services Unit successfully managed expenditures such that the department stayed within its reduced budget and met the Cost/Position Management Plan. Furthermore, the unit paid an estimated 79% of invoices within 30 days. This is below the 2004-2005 actual of 81% but still above the 2005-2006 target of 76%. Prompt payment of invoices also allowed the unit to earn 93% of vendor cash discounts available but that is slightly below the 2004-2005 actual and 2005-2006 target of 96%. The overall value of discounts taken in 2005-2006 has dropped because many vendors have stopped offering cash payment discounts. In total, cash discounts saved \$49,000 in 2004-2005. In 2005-2006, the total value of discounts earned was estimated to be \$10,000. Since the majority of cash discounts are the result of the pavement program vendors, the reduced budget and activity in the pavement program has affected the value of discounts taken. The fiscal team remains committed to work to secure cash discounts when offered to save the City valuable resources.

In 2005-2006, workload for the Budget and Financial Services Unit staff further increased as a result of shifting various payroll/timecard and administrative activities to the department due to vacancies and reductions in the Strategic Support CSA. Although there were no reductions in Strategic Support, the general budget climate for 2006-2007 will bring added complexity and challenges to the Unit. Every effort will be made to sustain the target level of services provided in 2005-2006 and to continue to support internal and external customers with timely expenditure forecast information and training to ensure that the Transportation and Aviation Services CSA can continue to provide exceptional services to residents despite budget constraints.

Transportation and Aviation Services CSA

Strategic Support *Transportation Department*

Performance and Resource Overview (Cont'd.)

Training

The Department of Transportation (DOT) has been a strong advocate for Leadership and Supervision training for the past several years. To date, DOT has sent 69 supervisors through the City-wide Leadership and Supervision Academy (LaSA) since its inception in 2002, and eight DOT managers have graduated from the Art and Practice of Leadership (APL) training since 2005. DOT has 51 participants in the second round of the City-wide Mentoring Program which runs through the second quarter of 2006-2007. This is more than one-third of all participants city-wide, and illustrates the commitment of DOT employees to improving themselves and others. Additionally, in-house training opportunities are made available to all departmental staff when possible, although fewer classes were taught in 2005-2006 due to vacancies and limited resources.

Safety training continues to be the primary type of training that is currently being offered to DOT employees. In 2005-2006, the DOT Safety Officer conducted Emergency Evacuation Response Team (EERT) training for key DOT safety staff at City Hall and each of the yard locations as well as the annual general evacuation drill for all DOT employees. The Safety Officer also conducted Defensive Driving, Vehicle Safety, Confined Space, Bloodborne Pathogens, Ergonomics, and many other Occupational Safety and Health Administration (OSHA)-mandated trainings for DOT staff. Most DOT safety training is offered either by the Safety Officer or other in-house instructors to minimize costs.

Reportable training hours remained essentially flat in 2005-2006, due primarily to fewer class offerings and the higher vacancy rate which reduces time available for staff to attend formal training classes. The Training Unit plans to expand course offerings to include supervision and communication training, and continue to utilize its streamlined training enrollment and record-keeping procedures in 2006-2007, so the reportable training hours are expected to increase.

Safety

In 2005-2006, staff expanded the comprehensive business model for the Department of Transportation Safety and Wellness Program by developing a Recognition and Accountability Policy and Supervisor Guidelines for its implementation. All work groups in DOT continue to maintain Section Safety Profiles which enable them to identify and track progress on safety-related performance targets. Increased safety awareness and focus on developing and communicating the Code of Safe Practices to DOT employees has resulted in reductions in Workers' Compensation claims and average days lost per claim in 2005-2006. DOT showed a 15.7% reduction in number of claims and a 69.6% reduction in average days lost per claim. Additionally, DOT came through a Cal OSHA investigation with no citations, which is a clear indication of the successful implementation of the Safety Program and compliance with state law.

Specific focus was given to the Emergency Action Plan and the Ergonomics Program in 2005-2006, particularly for those employees who are located in City Hall. In addition to work station

Transportation and Aviation Services CSA

Strategic Support *Transportation Department*

Performance and Resource Overview (Cont'd.)

Safety (Cont'd.)

evaluations for all DOT employees in City Hall, ten chair fittings and eight ergonomic evaluations were completed, and DOT has been a primary participant in the effort to modify and improve the ergonomics of the first floor work stations in the City Hall customer service center. Another priority for the Safety Program was the initiation of a Safety Awareness Training Program for the Parking Compliance Unit. Since the training was conducted, the unit has had no personal injuries due to inattentiveness. The main focus of the Safety Program in 2006-2007 will be increasing ergonomic awareness throughout DOT and providing more comprehensive Safety training for supervisors.

Personnel

The Personnel Unit ensures that the department is properly staffed with well-qualified and highly trained personnel. Despite limited support from the Human Resources Department due to staff reductions in 2005-2006, as well as the critical vacancy of the DOT Personnel Officer position for the entire year, DOT conducted 25 recruitments and completed 99 hiring transactions in 2005-2006. This total includes 30 new hires (15 of which were interns), 27 promotions, and 42 transfers. Six employees received permanent and stationary placements through the interactive Return to Work process. DOT was able to maintain an average 9% vacancy rate, and was able to fill nearly 30% of its authorized vacancies within 30 days. Strategic support staff continues to engage in providing extensive Performance Management assistance and resources to Department of Transportation supervisors and their employees to ensure optimal performance, and will maintain that as a service delivery priority in 2006-2007.

Information Technology

Administering information technology systems at optimal levels ensures that the Department can maintain high levels of performance in all of its core services. DOT's Information Technology (IT) Unit continues to strive to provide excellent system performance, however it is increasingly difficult to do so because of significant changes for the unit.

In June 2005, over 100 DOT employees relocated from off-site space where their technology support needs were managed by DOT's departmental IT staff to City Hall, where they are now primarily supported by Information Technology Department's (ITD) city-wide support staff. ITD has been faced with a challenging year; thus, much of the support fell back to DOT's smaller IT staff. The unit's ability to do this was complicated because although only 22% of DOT employees moved to City Hall, 50% of DOT's IT support staff was reassigned to ITD to provide city-wide support. The remaining departmental position was charged with supporting technology needs at the yards, and also had to pick up much of the day to day support for DOT's City Hall employees. Furthermore, DOT's previous IT management position that was responsible for coordinating all IT activities and projects in the department and managing IT support services has been reassigned to ITD to serve as the Transportation and Aviation Services CSA IT Representative. Although this

Transportation and Aviation Services CSA







Strategic Support Transportation Department

Performance and Resource Overview (Cont'd.)

Information Technology (Cont'd.)

new role is important, the loss to the department has been significant. The combined impact of these factors is a decline in the timeliness and quality of IT service responses throughout the department, and customer satisfaction is also projected to decline. Unfortunately, ITD is not currently tracking performance data in a manner consistent with DOT, so for now and the foreseeable future, reporting comprehensive performance data for the department will not be possible. It is hoped that departmental issues with centralized IT support will be worked out and performance ratings will improve following this transition period, although with the loss of staff, it will be difficult to make significant improvements.

Transportation's IT section is also currently focusing on preparation for the data and voice network at City Hall's new Employee Garage, where several DOT workgroups will be located. The IT section is also a key project participant for the extension of the City's fiber optic cable backbone to the Central Service Yard and three Downtown Parking Garages. Other noteworthy projects include: support for the physical relocation of the Traffic Incident Management Center from the current space at DOT's legacy 4 North Second Street location to a new center to be designed and built at the City's Communications Building; the design and installation of the IT infrastructure that will support the Traveler Information Center in City Hall's lobby; a comprehensive automated field data solution for infrastructure maintenance field personnel; and redesign projects for the obsolete Traffic Studies Project Tracking system and the Residential Permit Parking Program database.

Strategic Support Performance Summary	2004-2005 Actual	2005-2006 Target	2005-2006 Estimated	2006-2007 Target
 % of vendor discounts taken	96%	96%	93%	96%
 % of employees receiving 40 hours of relevant training annually	25%	40%	27%	40%
 Fiscal Unit expenditures as a percent of Adopted Budget (total resources managed)*	0.56%	0.69%	0.61%	0.65%
 % of invoices paid within 30 days	81%	76%	79%	76%
 % of vacancies filled within 30 days	25%	25%	30%	35%
 % of customers whose service quality expectations are met or exceeded (4 or better on a 1-5 scale)	82%	75%	75%	75%

Changes to Performance Measures from 2005-2006 Adopted Budget: No

* The 2005-2006 estimated is lower than target due to higher than projected Capital funds (including rebudgets). The 2006-2007 target is higher than the 2005-2006 estimated, due to a reduction in the total resources managed in the Adopted Operating and Traffic Capital Budgets, primarily due to decreases in funding in the CIP.

Transportation and Aviation Services CSA

Strategic Support Transportation Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2004-2005 Actual	2005-2006 Forecast	2005-2006 Estimated	2006-2007 Forecast
Value of discounts taken	\$49,000	\$19,000	\$10,000*	\$10,000*
Number of financial/budget transactions	16,188	15,000	16,400	16,400
Number of employees hired	70	50	100	85
Number of training hours provided	11,430	10,000	11,950	15,000**
Number of responses to information technology issues	2,574	3,500	1,700	1,700***

Changes to Activity & Workload Highlights from 2005-2006 Adopted Budget: No

- * The 2005-2006 estimated and 2006-2007 forecast value of discounts taken is based upon reduced pavement program funding.
- ** In 2006-2007 department-sponsored training is expected to increase resulting in the slight increase in total training hours.
- *** This data only reflects issues for DOT employees at the service yards as ITD does not currently track this data for City Hall employees.

Strategic Support Resource Summary	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Strategic Support Budget *					
Personal Services	\$ 1,304,156	\$ 950,191	\$ 1,432,652	\$ 1,471,652	54.9%
Non-Personal/Equipment	1,003,514	98,384	98,384	98,384	0.0%
Total	\$ 2,307,670	\$ 1,048,575	\$ 1,531,036	\$ 1,570,036	49.7%
Authorized Positions	7.53	7.53	12.10	12.10	60.7%

- * The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

Transportation and Aviation Services CSA

Strategic Support *Transportation Department*

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
1. Rebudget: Office of Traffic Safety Grant		39,000	39,000
This action rebudgets 2005-2006 expenditures for funds that were allocated but not spent. Personal services expenses were lower than budgeted due to staff salary savings and non-personal/equipment expenses were lower due to savings from the purchase of safety helmets. City staff has conferred with the State of California Office of Traffic Safety regarding the savings and they intend to extend the grant and allow the City to spend the full grant allocation 2006-2007. (Ongoing costs: \$0)			
Performance Results: N/A (Final Budget Modification)			
2006-2007 Adopted Strategic Support Changes Total		39,000	39,000

Transportation and Aviation Services CSA

City-Wide Expenses

Overview

The Transportation and Aviation Services Program includes services related to air and surface transportation. The departments and Redevelopment Agency divisions form the team responsible for planning, developing, operating, and maintaining a safe and efficient transportation system.

Budget Summary

City-Wide Expenses Resource Summary*	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Transportation and Aviation Services	\$ 1,723,861	\$ 2,191,863	\$ 2,328,064	\$ 2,375,854	8.4%
Total	\$ 1,723,861	\$ 2,191,863	\$ 2,328,064	\$ 2,375,854	8.4%
Authorized Positions	0.00	0.00	0.00	0.00	0.0%

* For a complete listing of allocations for the Transportation and Aviation Services Program, please refer to the City-Wide Expenses section of this document.

Budget Changes by Program

Adopted Program Changes	Positions	General Fund (\$)
1. Parking Citations		47,790
This action provides funding, \$32,400 to the Parking Citations/Jail Courthouse Fees allocation and \$15,390 to the Parking Citations Processing allocation, as a result of an approved addition of a Parking and Traffic Control Officer (PTCO) position in the Expanded Street Sweeping Enforcement Program as displayed in the Transportation and Aviation Services CSA section of this document. This position will help support and enforce street sweeping activities due to the additional 40 curb miles of restricted residential street sweeping area being installed this year. Furthermore, this position will help support other activities such as meters, vehicle abatement, school safety, and street maintenance projects. The cost of this position, along with the cost of an additional handheld citation device and these citation processing fees, will be offset by additional parking citation revenues (\$109,000). (Ongoing costs: \$0)		
2006-2007 Adopted Program Changes Total	0.00	47,790

Transportation and Aviation Services CSA

General Fund Capital, Transfers, and Reserves

Budget Summary

General Fund Capital, Transfers, and Reserves Transportation & Aviation Services CSA Resource Summary*	2004-2005 Actual 1	2005-2006 Adopted 2	2006-2007 Forecast 3	2006-2007 Adopted 4	% Change (2 to 4)
Capital Contributions	\$ 3,202,471	\$ 2,063,511	\$ 1,442,000	\$ 7,156,000	246.8%
Transfers to Other Funds	123,106	123,106	123,106	123,106	0.0%
Earmarked Reserves	0	0	172,418	0	0.0%
Total	\$ 3,325,577	\$ 2,186,617	\$ 1,737,524	\$ 7,279,106	232.9%
Authorized Positions	N/A	N/A	N/A	N/A	N/A

* For a complete listing of allocations for the Capital Contributions, Transfers to Other Funds, and Earmarked Reserves Programs for the Transportation and Aviation Services CSA, please refer to the General Fund Capital, Transfers and Reserves section of this document.

Budget Changes by Program

Adopted Program Changes	Positions	General Fund (\$)
1. Capital Contributions: Transportation Infrastructure (Street Resurfacing, Traffic Safety Enhancements and Improved Neighborhood Appearance) Maintenance Backlog		5,300,000
This action establishes one-time funding in the amount of \$5,300,000 for beginning to address the City's Transportation Infrastructure Maintenance Backlog. Infrastructure asset inventories have grown in the last five years, however, resources to maintain these assets have not kept pace with their growth. As a result, the infrastructure condition has continued to decline. Three categories of projects have been funded: Street Resurfacing Projects (\$3,000,000), Transportation Safety Enhancement Projects (\$1,800,000) and Improved Neighborhood Appearance Projects (\$500,000). (Ongoing costs: \$0) (Final Budget Modification)		
2. Capital Contributions: Bailey Avenue Resurfacing		211,000
This action provides for the resurfacing of a portion of Bailey Avenue located near the IBM Corporation site, a major employer in San José. (Ongoing costs: \$0) (Final Budget Modification)		
3. Capital Contributions: Rebudget of 2005-2006 Projects		203,000
This action provides for the rebudgeting of funding for completion of capital projects authorized in 2005-2006. Projects in the Transportation and Aviation Services CSA include Towers Lane Improvements (\$163,000), Lincoln Avenue Enhanced Crosswalks (\$20,000) and Hilly Hill Infrastructure Improvements (\$20,000). (Ongoing costs: \$0) (Final Budget Modification)		

Transportation and Aviation Services CSA

General Fund Capital, Transfers, and Reserves

Budget Changes by Program (Cont'd.)

Adopted Program Changes	Positions	General Fund (\$)
4. Earmarked Reserves: Street Maintenance Activities		(172,418)
This action liquidates the Earmarked Reserve that was established for projected additional costs to maintain new traffic signals, landscaping, and street lighting included in the City's Five-Year Capital Improvement Program. Elsewhere in this document, this ongoing funding is allocated to the Department of Transportation to maintain additional landscaping acreage, traffic signals, and streetlights. (Ongoing savings: \$175,418)		
2006-2007 Adopted Program Changes Total	0.00	5,541,582